

DEPARTMENT OF DEFENSE
OFFICE OF INSPECTOR GENERAL

FY 2012 AUDIT PLAN



OCTOBER 2011

OFFICE OF THE DEPUTY INSPECTOR GENERAL FOR
AUDITING

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE OCT 2011		2. REPORT TYPE		3. DATES COVERED 00-00-2011 to 00-00-2011	
4. TITLE AND SUBTITLE FY 2012 Audit Plan				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Department of Defense Office of Inspector General, 4800 Mark Center Drive, Alexandria, VA, 22350				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 64	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			



The *Inspector General Act of 1978*, as amended, states that the Inspector General is responsible for conducting audits, investigations, and inspections, and for recommending policies and procedures to promote economic, efficient, and effective use of agency resources and programs that prevent fraud, waste, abuse, and mismanagement. The *IG Act* also requires the Inspector General to keep the Department and Congress fully and currently informed about problems and deficiencies in the Department's operations and the need for corrective action. The Office of the Deputy Inspector General for Auditing is one of six components within the Office of the Inspector General that performs oversight of the Department.

The Office of the Deputy Inspector General for Auditing conducts audits on all facets of DoD operations. The work results in recommendations for reducing costs; eliminating fraud, waste, and abuse of authority; improving performance; strengthening internal controls; and achieving compliance with laws, regulations, and policy.

Mission

Our mission is to provide independent, relevant, and timely oversight of the Department of Defense that:

- Supports the Warfighter;
- Promotes accountability, integrity, and efficiency;
- Advises the Secretary of Defense and Congress; and
- Informs the Public.

Vision

Leading Change, Speaking Truth, Promoting Excellence

Core Values

- Integrity • Efficiency • Accountability • Excellence

Office of Deputy Inspector General for Auditing FY 2012 Audit Plan

The Office of Deputy Inspector General for Auditing provides independent and objective audit services to promote continuous performance improvement, management, and accountability of DoD operations, programs, and resources to support DoD in its defense of U.S. national interests. The FY 2012 Audit Plan identifies our ongoing and planned oversight of DoD organizations, programs, activities, and functions as an integral part of the DoD management system.

To develop our FY 2012 audit plan, we evaluated DoD's strategic vision as outlined in the 2010 Quadrennial Defense Review and the FY 2012 DoD budget; Executive department priorities; statutory requirements; previously identified IG management challenges; Government Accountability Office High-Risk areas; and internal risk assessments. Additionally, we conducted outreach with DoD senior leaders, military commanders, and congressional representatives to identify pertinent and emerging areas requiring our oversight attention.

Accordingly, for FY 2012, our primary oversight is focused on the following risk areas: major weapon systems acquisition; contract management; financial management; business systems modernization; payments; cyber operations; management and execution of Afghanistan Security Forces funds; health care; and joint warfighting and readiness. In prioritizing our oversight to address these risk areas, we designed the planned audits to improve the safety and welfare Service members and their families, support the Department's Overseas Contingency Operations, improve operations and financial reporting, identify improvements in ongoing efficiency efforts, and identify new efficiencies.

The FY 2012 Audit Plan is a living document and will be updated as needed based on new management requests, congressional requests, hotline allegations, and other out-of-cycle requirements that require a change to this plan. As in previous years, we continue to coordinate our planned projects with other DoD audit organizations through joint planning groups and other coordination efforts. Updates to this plan are available on our Web site at www.dodig.mil/audit or by contacting the Corporate Planning Branch at (703) 604-9142.



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Deputy Inspector General
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FY 2012 Audit Plan

The Office of Deputy Inspector General for Auditing conducts a risk-based planning process to determine the audit projects that will be resourced and conducted in FY 2012 to provide maximum benefit to the Department, the Congress, and the taxpayers. The Deputy Inspector General for Auditing also prioritizes the projects in the FY 2012 audit plan to ensure oversight is timely, relevant, and responsive to the dynamic environment within the Department. This plan is intended to address significant identified risks in the Department, our statutory mandates, and Congressional and DoD leadership concerns. In determining specific oversight projects to be performed in the upcoming fiscal year, the DoD IG balanced the needs and requests of both the Department and Congress.

This risk based planning process included conducting outreach with Congressional representatives and Department leadership. We met with various senior officials responsible for the significant operations and programs in DoD to include financial, acquisition, procurement, health care, information security, and military operations. We reviewed DoD strategic documents such as the 2010 Quadrennial Defense Review and the DoD Budget. We also reviewed testimony presented by DoD leadership, IG identified management and program challenges, Government Accountability Office identified high-risk areas, other organization's oversight reporting, and information gathered during audit and investigative efforts. All of this information helped us identify existing systemic challenges and emerging challenges the Department will face in the future, we addressed these challenges as we planned our oversight efforts.

We assessed risk areas and developed audits to address those risk areas and make recommendations that, when effectively implemented, will improve DoD operations and help reduce risks associated with the particular scope of the audit. One major area we considered in developing the audit plan was in identifying efficiencies—both improvements in ongoing efforts and identifying new efficiencies DoD could implement. Additionally, the planned audits will result in increasing the effectiveness of programs and operations; detecting and preventing fraud, waste and abuse; ensuring compliance with laws; identifying and eliminating improper payments; improving security; and ensuring the safety and needs of the Service members and their families.

DoD Priorities. The 2010 Quadrennial Defense Review (QDR) advances two clear objectives. First, we must further rebalance the capabilities of America's Armed Forces to prevail in today's wars while building the capabilities needed to deal with future threats. Second, we must further reform the Department's institutions and processes to better support the urgent needs of the warfighter; buy weapons that are usable, affordable, and truly needed; and ensure that taxpayer dollars are spent wisely and responsibly.

In order to help defend and advance our national interests, the Department of Defense balances resources and risks among four priority objectives: prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the All-Volunteer Force. Additionally, the QDR acknowledged that the Department must implement an agenda that reforms how it does business. DoD established these five priority areas as the Department's FY 2012 Strategic Goals.

DoD's Strategic Goals

1. Prevail in Today's War
2. Prevent and Deter Conflict
3. Prepare to Defeat Adversaries and Succeed in Wide Range of Contingencies
4. Preserve and Enhance the All-Volunteer Force
5. Implement Reform Agenda

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IG Identified Management and Performance Challenges and GAO High Risk Areas. Annually, the DoD IG identifies and summarizes the most serious management and performance challenges facing the DoD and briefly assesses the progress the Department has made in addressing those challenges. In preparing the FY 2012 Audit Plan, the ODIG-AUD considered the following seven management and performance challenges:

- Acquisition Processes and Contract Management • Financial Management
- Health Care • Equipping and Training Iraqi and Afghan Security Forces
- Joint Warfighting and Readiness • Nuclear Enterprise
- Information Assurance, Security, and Privacy

Source: DoD IG

GAO has identified 30 Federal programs and activities as being at high risk for waste, fraud, abuse, and mismanagement. GAO has identified 7 DoD specific risks:

- Approach to Business Transformation • Contract Management
- Business Systems Modernization • Financial Management
- Supply Chain Management • Support Infrastructure
- Weapon Systems Acquisition

Source: Government Accountability Office

RISKS

The following is a brief description of the risk areas the ODIG-AUD FY 2012 oversight plan will address. Appendix B provides an illustrative overview of FY 2012 DoD IG planned audits by risk area.

Weapon Systems Acquisition

The Department of Defense remains challenged in its management of major acquisition programs. In FY 2012, DoD requested a total of \$553.1 billion in base and \$117.8 billion in Overseas Contingency Operations funding to ensure that our warfighters have weapon systems that provide the best capabilities. The number of Major Defense Acquisition Programs, 111 in FY 2011, increased despite a flat or slowly decreasing Defense budget. Major weapon acquisition programs continue to remain a high priority with the DoD IG and Congress because a number of high profile programs are over cost and behind schedule. DoD needs to continue to look for a better balance between its limited resources, the capabilities needed to be successful in current conflicts, and the capabilities needed to prepare for possible future conflict. As budgets come under increasing scrutiny, the Department will be challenged to evaluate the merits of all programs, their usefulness, and cost.

ODIG-AUD major weapon acquisitions audits will focus on complex Acquisition Category I and II programs with significant dollar values. The audits will determine whether DoD is effectively managing these programs and will evaluate all aspects of program management to include requirements, acquisition planning, funding, systems engineering, and test and evaluation processes. We use a number of analytical tools to identify the major weapon system programs that exhibit cost and schedule delays and should be subject to further review.

Contract Management

DoD continues to face significant challenges in the area of contract award, oversight, and administration. In FY 2010, DoD obligated about \$367.3 billion on contracts for goods and services; despite the billions spent, requirements were frequently not well-defined, and the contracting arrangements were often not the most appropriate for ensuring the efficient and effective use of DoD resources. Further, contract oversight responsibility fell on an acquisition workforce that was not properly sized or sufficiently trained and did not possess the experience necessary to manage the complexities of these DoD acquisitions. For these reasons, DoD continues to be vulnerable to increased fraud, waste, and mismanagement of taxpayer monies, and the area of contract management remains a high risk area.

Additionally, contingency contracting in Southwest Asia continues to be a systemic high-risk challenge. In FY 2010, the ODIG-AUD issued, “Contingency Contracting: A Framework for Reform,” which identified ten areas of the contracting process that continue to demonstrate recurring deficiencies. The results of our oversight efforts and those of other Federal oversight entities such as GAO and the Commission on Wartime Contracting, continue to report these deficiencies. Consequently DoD IG oversight of contingency contracting efforts will continue to focus on this high-risk area.

The contract management audits conducted in FY 2012 will primarily address risks associated with contracts such as the strategic management of services contracts, the use of sound business contracting arrangements, the development of contract requirements, the adequacy of Government oversight of contractor and subcontractor performance, military construction project requirements, contract oversight in Afghanistan, and the obligation and management of funds. These audits continue to improve contract management and identify monetary benefits that can be used for other warfighter needs.

Afghan Security Forces Funds

The U.S goal to rebuild Afghanistan and to make it safe remains a challenge for DoD as it works to carry out its mission. As billions of dollars are spent to achieve these goals, a top priority of the DoD IG is to provide appropriate monitoring and oversight of the acquisition and contracting processes for the training, equipping, and sustainment of the Afghanistan Security Forces. The audits performed in this area will address the management and administration of contracts for goods and services that directly support efforts that are funded with Afghan Security Forces Funds. Specifically, the audits will be designed to evaluate requirements, the sufficiency of Government oversight of contractor and subcontractor performance, and the obligation and management of funds. We will also look at the acquisition, maintenance, and sustainment of equipment in support of the Afghan National Security Forces. In addition to the risks typically associated with wartime contracting, these audits could potentially identify warfighter life and safety issues.

Contractor Logistics Support and Performance-based Logistics Arrangements

A GAO high risk area, the management of DoD supplies and inventory is one of the highest risk areas in the current procurement environment. The availability of spare parts and critical items provided through the DoD supply chain not only increase the readiness and capabilities of our military forces but also represents a substantial investment of resources. Over the last 20 years, spare parts prices have increased significantly, often at unreasonable rates. Contributing factors include not using both price and cost analyses, the use of commercial pricing for sole-source items, the lack of thorough prime contractor evaluations, and the failure of contracting officers to take advantage of economic order quantities. Further, ineffective and inefficient use of inventory, to include identifying systems with large spare part inventories in relationship to predicting annual spare part requirements, results in the accumulation and retention of billions in spares parts inventories in excess of current requirements.

In FY 2012 audits will focus on determining whether DoD is purchasing sole-source spare parts at fair and reasonable prices and, therefore, obtaining best value. The audits will focus on high-risk contractors with billions of dollars in DoD business. Consistently, audit work in the spare part pricing area has shown that DoD does not effectively negotiate prices and that DoD pays more than what is fair and reasonable. In addition to spare parts pricing, ODIG-AUD will evaluate DoD's effective use of Government-owned inventory to determine whether Government-owned inventory is being used before procuring the same part from a contractor through a performance-based logistic arrangement. Previous work in the area has shown that DoD does not effectively use existing inventory and spends millions to purchase the same items from contractors, often at higher prices.

Financial Management

DoD financial management has long been reported as a management challenge and high-risk area. DoD weaknesses not only impact DoD financial reporting but also the efficiency and effectiveness of its business operations. The Department continues to face financial management challenges that adversely affect DoD's ability to provide reliable, timely, and useful financial and managerial data needed to support operating, budgeting, and policy decisions.

In the FY 2010 audit opinion on DoD's consolidated financial statements, the ODIG-AUD reported the same 13 material internal control weaknesses as the previous year. These pervasive and longstanding financial management issues directly affect the Department's ability to obtain an unqualified opinion on its financial statements. These weaknesses affect the safeguarding of assets and proper use of funds and impair the prevention and identification of fraud, waste, and abuse.

The Under Secretary of Defense Comptroller established new priorities that focus improvement work on processes and controls supporting information that is most often used to manage the Department, the Statement of Budgetary Resources and the Existence and Completeness of critical assets.

The Department is also focused on the successful development and deployment of enterprise resource planning systems that process and provide financial data critical to business operations, as well as financial improvement and auditability.

The most significant challenge for financial management within the Department to ensure that the DoD financial statements are validated as audit ready by September 30, 2017, as required by Public Law 111-84, Section 1003, "Audit Readiness of Financial Statements of the Department of Defense" (National Defense

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Authorization Act for Fiscal Year 2010). In order to meet the statutory deadline, the Department must continue to aggressively pursue improvements in data quality, internal controls, and financial systems.

The DoD IG will continue to provide oversight of DoD financial improvement and audit readiness efforts and make recommendations to help move the Department toward meeting its goal of becoming auditable by 2017. The ODIG-AUD will conduct oversight required by the CFO Act; audits will relate to financial management, the Department's management and development of new financial systems, DoD financial improvement and audit readiness efforts, and efforts to reduce and eliminate improper payments.

Financial Statements. The CFO Act of 1990, as implemented by the Office of Management and Budget, requires that certain DoD Components submit audited financial statements to OMB. The DoD IG is required to audit or contract out the audit work of those financial statements. The ODIG-AUD will conduct financial statement audits of the Navy, Air Force, and the DoD Medicare Eligible Retiree Health Care Fund and perform financial statement audits of the U.S. Marine Corps Statement of Budgetary Resources and the TRICARE Management Activity Contract Resource Management Financial Statements.

Financial Systems. The current Financial Improvement and Audit Readiness priorities, established in August 2009, focus on improving the processes, controls, and systems that support information used most often to manage the Department. From fiscal years 2010 through 2016, the Department estimates it will spend almost \$11.4 billion to improve its financial management operations, including the development of Enterprise Resource Planning systems. DoD has initiated various efforts to implement new financial management systems and associated business processes to eliminate more than 500 legacy systems that cost hundreds of millions of dollars annually to operate; one effort is the implementation of Enterprise Resource Planning systems that are capable of handling financial transactions throughout an event's life cycle. However, ODIG-AUD oversight of several Enterprise Resource Planning system efforts indicates that DoD may be facing serious challenges in implementing critical Enterprise Resource Planning systems. These systems experienced implementation problems that resulted in incurred cost and schedule growth and the lack of appropriate senior-level governance over their development, test, and implementation. Because we previously identified challenges in DoD efforts to implement these systems, we plan on conducting additional audits on DoD Business Systems Modernization efforts.

Improper Payments. Improper payments represent waste. At the close of FY 2010, DoD reported in its Agency Financial Report that it made approximately \$1.413 billion in improper payments during the fiscal year. Recently passed laws, executive orders, and budget constraints have increased the scrutiny on improper payments made by the Executive Agencies. In response, DoD refocused its efforts to improve improper payment identification, prevention, and reporting. However, the DoD has struggled to implement a comprehensive methodology to ensure all payments are reviewed. Additionally, the Department's internal control program remains problematic, allowing improper payments to go undetected and uncorrected. Consequently, we will conduct oversight of DoD processes for preventing, identifying, and correcting improper payments. In addition, the ODIG-AUD will use data mining techniques to review DoD payment data to identify fraud, waste, and abuse and to improve the accuracy, appropriateness, transparency, and reliability of DoD payments. This effort will also lead to single scope audits which will expediently address and report weaknesses in the DoD payment arena.

Cyber Security

DoD continues to be a target of cyber attacks. Cyber attacks are hostile acts using computers or related networks or systems, with the intention to disrupt or destroy an adversary's critical cyber systems, assets, or functions. Cyber security involves protecting information by preventing, detecting, and responding to cyber attacks or threats. The U.S. Cyber Command is responsible for planning, coordinating, integrating, synchronizing, and conducting activities to direct the operation and defense of specified DoD information networks, and lead the day-to-day protection efforts of DoD information networks. One of the challenges that DoD faces is defending its information and information systems against increasing threats to cyber security. The cyber threat to the Department continues to grow. The most prevalent cyber threat has been exploitation of networks, or theft of data. More recently, a second cyber threat has emerged – disruption of networks, or denial of service. For example, Federal agencies suffered 41,776 cyber attacks in 2010, up from 30,000 the previous year, according to data reported by the Department of Homeland Security's U.S. Computer Emergency Readiness Team. Today, the third and most dangerous cyber threat is destruction of networks, or attacks that cause severe economic damage, physical destruction, or even loss of life. The ODIG-AUD will focus on U.S. Cyber Command operations, cyber security strategies for mitigating cyber threats, privacy and security safeguards to protect DoD patient health information, as well security controls over wireless and portable systems and removable media.

Joint Warfighting and Readiness

The drawdown in Iraq and sustained operations in Afghanistan have placed a considerable strain on individual service members and their dependents; the low-density, high demand systems such as intelligence, surveillance, and reconnaissance systems that DoD brings to the battlefield; and DoD's ability to reset and reconstitute the forces. The high operational tempo of deployments in ongoing operations requires DoD to pay extra attention to the well-being of our service members, systems, and institutions. Specifically, DoD must work to better manage the deployment tempo; recruit, train, and equip qualified and able personnel; and prepare for the next engagement. The ODIG-AUD oversight efforts for Joint Warfighting and Readiness will address joint operations, including ongoing counterinsurgency efforts in Afghanistan; proactive efforts by the Combatant Commands worldwide to prevent crises and instability; ongoing operations in Afghanistan to include military construction efforts; the development of Afghan National Security Forces capabilities; the planning and execution of worldwide disaster relief efforts; DoD's emerging programs to build ministerial capacity, including the Defense Institution Reform Initiative and the Afghan Ministry of Defense Advisors program; and efforts to enhance the readiness, including training, logistics, supply, and maintenance functions, of U.S. forces.

Logistics Management

The DoD Supply Chain is a high-priority area for significant audit coverage – DoD Supply Chain Management has been on GAO's list of high-risk Federal Government programs since 1990. The DoD Supply Chain area includes Supply Chain activities that span the functions of supply, maintenance, and distribution, and must be responsive to customer needs during peacetime and war. According to DoD, logistics sustainment costs were approximately \$196 billion in FY 2009 and the same for FY 2010; and there is about \$94 billion in inventory. DoD does not have always have reasonable assurance that it has the right inventory on hand needed to support the Warfighter.

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Maintaining readiness and ensuring effective support for the Warfighter is essential to the Department. To ensure the Warfighter receives the necessary support, the Department established two top priorities for its logistics operations;

- Ensuring efficient and effective logistics support for current and future contingency operations.
- Integrating life cycle management into department acquisition, maintenance, and sustainment processes, and integrating joint supply chains to operational customers.

The ODIG-AUD will focus its oversight on fuel supplies, operational rations, and overall supply chain management.

Health Care

The Military Health System (MHS) budget has increased over 60% since 2005 to \$53 billion in 2011 and is projected to consume approximately 10% of the DoD budget. The MHS must provide quality care for approximately 9.7 million eligible beneficiaries within fiscal constraints while facing increased user demands, legislative imperatives, and inflation that make cost control difficult in both the public and private sectors. In 2010, Secretary Gates stated that “Leaving aside the sacred obligation we have to America’s wounded warriors, health care costs are eating the Defense Department alive.” In addition to the sheer size of the MHS budget, health care fraud is a risk for all health care systems, public and private. Health care fraud is among the top 5 categories of criminal investigations, representing 9.4 percent of the 1,871 open cases of DoD IG’s Defense Criminal Investigative Service at the beginning of FY10. Estimates of fraud in the U.S. range from three percent to ten percent; DoD pays approximately \$20 billion per year in health care claims to private providers, so the exposure to fraud is significant. The ability to deploy a healthy and resilient force is a key mission of the MHS. With the increased duration and frequency of deployments, the MHS challenge is magnified. DoD Health Care continues to be an IG Management Challenge Area and a subject with high Congressional and media interest. The ODIG-AUD will focus oversight on the TRICARE Management Activity’s acquisition process, effectiveness of TRICARE contractors’ fraud units, and medical billings.

Defense Critical Infrastructure

Although ten years have passed since September 11, 2001, the threat of terrorist acts has not diminished. Terrorist and would-be terrorists continue their attempts to harm the United States and its people, but the threat against the citizens of the United States is only one of the targets. A larger and easier target is the vast infrastructure that supports DoD everyday in achieving its mission. The importance of identifying and mitigating threats to infrastructure is a theme in the February 2010 QDR. According to the QDR, “Given the current and projected security environment, our Armed Forces must, in aggregate, be capable of conducting a broad range of several overlapping operations to prevent and deter conflict and, if necessary, to defend the United States, its allies and partners, selected critical infrastructure, and other national interests.” In May 2010, President Obama issued his new National Security Strategy. This strategy recognizes the need to identify and interdict threats. ODIG-AUD oversight efforts will address security of contractor facilities, commercial satellite exercises, critical assets, and rare earth elements.

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WEAPON SYSTEMS ACQUISITION

ONGOING PROJECTS

Acquisition of CH-53K Heavy Lift Replacement Helicopter Program (D2012-D000CD-0037.000) Objective: Evaluate Naval Air Systems Command's acquisition management of the CH-53K program. Specifically, evaluate the CH-53K procurement quantities and key acquisition documentation.

Acquisition of the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System (D2011-D000AE-0181.000) Objective: Determine whether the Army is effectively preparing the program for the low-rate initial production phase of the acquisition process. Specifically, evaluate the Army's effectiveness in establishing requirements and procuring the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System.

Acquisition of the Multi-Platform Radar Technology Insertion Program (D2010-D000CD-0187.000) Objective: Determine whether the Air Force is effectively managing the acquisition of the Multi-Platform Radar Technology Insertion program and evaluate the Air Force's internal controls in the procurement and deployment of the program.

Acquisition of the Organic Airborne and Surface Influence Sweep (D2011-D000AE-0129.000) Objective: Determine whether the Navy is effectively preparing the program for the low-rate initial production phase of the acquisition process. Specifically, evaluate Navy's effectiveness in establishing requirements and procuring the Organic Airborne and Surface Influence Sweep.

DoD Countermine and Improvised Explosive Device Defeat Systems Contracts-Vehicle Optics Sensor System (D2011-D000AB-0156.000) Objective: Determine whether the Joint Improvised Explosive Device Defeat Organization and Army procurement efforts for the Vehicle Optics Sensor System used on RG-31 and Joint Explosive Ordnance Disposal Rapid Response Vehicles in Iraq and Afghanistan were developed, contracted, and managed in accordance with Federal and Defense acquisition regulations.

PLANNED PROJECTS

Acquisition of the P-8A Poseidon Aircraft Objective: Evaluate the Navy's acquisition management of the P-8A Poseidon program. Specifically, evaluate the Navy's testing efforts and determine whether the Navy has adequately addressed the 75 system shortfalls in order to adequately meet the needs of the user, contain the risk of cost breaches, and prevent schedule delays.

Development of Common Ground Control System for Unmanned Aircraft Systems Objective: Evaluate the effectiveness of the Military Departments implementation of the Acquisition Memorandum Decision direction and subsequent memoranda's specific action items in developing a common Ground Control System. Also, evaluate the coordinated efforts of the Office of the Secretary of Defense and Military Department in achieving the Defense Acquisition Executive objective(s). Additionally, assess management controls established to ensure that action items directed by Defense Acquisition Executive are accomplished in a comprehensive and timely manner.

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Major Acquisition Programs Within DoD Objective: Identify major acquisition programs (Acquisition Category I and II) with a high probability of risk due to cost, schedule, or performance challenges in FY 2012.

Navy Acquisition of Mine Counter Measures Systems Objective: Determine whether the Navy is effectively managing the acquisition of the Mine Counter Measures systems. Specifically, evaluate the Navy's managers effectiveness in coordinating and implementing the requirements, acquisition planning, systems engineering, and test and evaluation processes for developing and procuring the Mine Counter Measures capability, fully integrated with the MH-60S helicopter and the Littoral Combat Ship, to meet carrier and expeditionary force needs.

Theater Air and Missile Defense Systems Objective: Determine whether DoD is effectively managing the acquisition of its theater missile defense systems. Specifically, evaluate DoD's management effectiveness in implementing the requirements, acquisition planning, systems engineering, and test and evaluation processes for developing and procuring the Integrated Air and Missile Defense capability.

CONTRACT MANAGEMENT

ONGOING PROJECTS

Air Force Contracts Awarded Without Competition (D2011-D000CG-0038.000)

Objective: Determine whether Air Force noncompetitive contract awards are properly justified as sole source

Aircraft Maintenance Contracts in the Republic of Korea for U.S. Air Force (D2011-D000LG-0257.000) Objective: Determine whether maintenance contracts in Korea for U.S. Air Force aircraft provide adequate support for the Air Force mission and are effectively administered.

Assessment of the Guam Multiple Award Construction Contract Source Selection Process (D2010-D000LG-0217.000) Objective: Determine whether the Guam Multiple Award Construction Contract was awarded in accordance with the Federal, Department of Defense, and Department of the Navy acquisition regulations. Additionally, assess whether the source selection methods and technical and price evaluations for proposals complied with those regulations.

Award of Single-Bid Competitive Contracts by DoD (D2011-D000AT-0253.000)

Objective: Determine whether DoD properly awarded single-bid competitive contracts. Specifically, determine whether DoD followed applicable guidance when awarding competitive contracts after receiving a single offer.

Compliance with Federal Law Lobbying Restrictions on the Use of Appropriated Funds From Congressional Earmarks (D2010-D000CF-0145.000) This audit is being conducted to support the requirements of Public Law 111-84, FY 2010 National Defense Authorization Act, section 1062. Section 1062, "Congressional Earmarks Relating to the Department of Defense," October 28, 2009, requires the DoD Inspector General to conduct an audit of contracts, grants, or other agreements pursuant to congressional earmarks of Department of Defense funds. Objective: Determine whether the recipients of such earmarks are complying with requirements of Federal law on the use of appropriated funds.

Construction of the Detention Facility in Parwan, Afghanistan (D2010-D000JO-0229.000)

Objective: Determine whether the U.S. Army Corps of Engineers and the U.S. Forces – Afghanistan procured construction services and administered the construction contract for the Detention Facility in Parwan, Afghanistan in accordance with the Federal Acquisition Regulation and other applicable laws and regulations. Additionally, determine whether U.S. Army Corps of Engineers properly monitored contractor performance during construction of the Detention Facility in Parwan, and whether U.S. Army Corps of Engineers has taken or should take recourse against the contractor because of potential latent defects, negligence, or fraud.

Contracting for Force Protection for U.S. Installations in Iraq (D2011-D000JB-0098.000)

Objective: Determine whether DoD is adequately administering and overseeing private security contracts in Iraq in response to the drawdown of U.S. forces. Additionally, evaluate support requirements in contracts and related security control measures and procedures for access to U.S. military installations in Iraq.

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Contractor Invoices for DoD Service Contracts (D2011-D000CF-0062.000) Objective: Determine whether contractor invoices for services performed for DoD were accurate, allowable, and allocable.

Controls and Processes Pertaining to the Defense Logistics Agency's Procurement Automated Contract Evaluation System (D2010-D000LD-0264.000) Objective: Determine whether the Defense Logistics Agency supply centers awarded contracts through the Procurement Automated Contract Evaluation System to suppliers who offered the best value, determine whether the Defense Logistics Agency has a process to validate that prices were fair and reasonable, and determine whether supply centers uniformly applied the controls and rules governing Procurement Automated Contract Evaluation awards.

Defense Advanced Research Projects Agency's Contracting Practices (D2011-D000AB-0249.000) This will be the first in a series of planned audits to review the Defense Advanced Research Projects Agency's contracting process. Objective: Determine the adequacy of Defense Advanced Research Projects Agency's selection, award, and administration of contracts and grants awarded in FY 2010 and FY 2011 for research and development projects.

Defense Contract Management Agency Quality Assurance Oversight (D2011-D000CD-0248.000) Objective: Determine whether the Defense Contract Management Agency is performing quality assurance procedures and oversight of contractors in accordance with applicable policies for critical safety items, such as parachutes, fire resistant fabrics, pressurized oxygen masks, and chemical protective clothing.

Defense Contract Management Agency's Investigation and Control of Nonconforming Materials (D2011-D000CD-0264.000) Objective: Examine the Defense Contract Management Agency's investigation and control of nonconforming cables used in avionics systems. Specifically, determine whether the Defense Contract Management Agency adequately monitored and evaluated nonconforming cables used by Northrop Grumman's Navigation Systems Division.

Department of Defense Education Activity's Requirements Development Process for Military Construction Contracts in Europe (D2011-D000LD-0265.000) Objective: Evaluate the Department of Defense Education Activity's requirements process for military construction projects in Europe. Specifically, determine whether military construction requirements for Education Activity standards.

Department of Defense's Fiscal Year 2010 Purchases Made Through the Department of the Interior (D2011-D000CF-0034.000) Objective: Determine whether the Department of Interior's purchases for the DoD are in accordance with laws, policies, procedures, and internal controls and review competition, surveillance, contracting officer's responsibilities, and whether the defense procurement requirements were met.

Department of Defense FY 2011 Purchases Made Through the National Institutes of Health (D2011-D000CF-0275.000) Objective: Determine whether DoD and the National Institutes of Health improved and corrected their interagency purchasing practices since our last audit, "FY 2007 DoD Purchases Made Through the National Institutes of Health." Specifically, examine DoD and National Institutes of Health policies, procedures, and internal controls to determine whether DoD had a legitimate need to use the National Institutes of Health, whether DoD clearly defined its requirements, whether DoD interagency contracting practices adhered to Federal and DoD regulations, and whether the National Institutes of Health and DoD properly used and tracked funds. Also, determine whether the National Institutes of Health officials complied with Federal and Defense procurement requirements.

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Department of Defense FY 2011 Purchases Made Through the U.S. Department of Veterans Affairs (D2011-D000CF-0273.000) Objective: Determine whether DoD and the U.S. Department of Veterans Affairs improved their interagency purchasing practices since our last audit, “FY 2007 DoD purchases Made Through the U.S. Department of Veterans Affairs.” In addition, examine the policies, procedures, and internal controls to determine whether DoD had a legitimate need to use the U.S. Department of Veterans Affairs, whether DoD clearly defined its requirements, whether DoD interagency contracting practices adhered to Federal and DoD regulations, and whether U.S. Department of Veterans Affairs and DoD properly used and tracked funds.

DoD Contract for the Defense Advanced Global Positioning System (GPS) Receiver, Contract No. FA8807-09-C-0002 (D2011-D000DC-0259.000) Objective: Determine whether contract payments and deliveries for the Defense Advanced GPS Receiver (Contract No. FA8807-09-C-0002) were made in accordance with the contractual agreements and applicable criteria.

DoD Contracts Awarded Without Competition (D2011-D000CG-0228.000) Objective: Determine whether DoD noncompetitive contract awards are properly justified as sole source.

DoD Counter Narcoterrorism Technology Program Office’s Mi17 Overhaul Contracts (D2011-D000AS-0241.000) This is the second in a series of audits on the Counter Narcoterrorism Technology Program Office IDIQ contracts. Objective: Determine whether the oversight and management of DoD counter Narcoterrorism Technology Program Offices’ contracts for overhaul of Mi-17 helicopters were completed in accordance with Federal Acquisition Regulation requirements and to determine whether the contracting officer ensured that DoD obtained fair and reasonable prices for overhaul services.

DoD Counter Narcoterrorism Technology Program Office’s Other Direct Costs (D2011-D000AS-0004.000) Objective: Determine whether other direct costs are fair and reasonable in the task orders issued by the DoD Counter Narcoterrorism Technology Program Office.

DoD Multiple-Award Contracts for Services (D2011-D000CF-0047.000) Objective: Determine whether task orders under professional, administrative, and management support services multiple-award contracts were properly competed among all awardees and adequate oversight, including invoices, was performed for the contracts.

DoD Multiple-Award Contracts for Services at the Naval Facilities Expeditionary Logistics Center(D2011-D000CF-0276.000) This is the second in a series of audits of Multiple Award Contracts for services. Objective: Determine whether task orders under professional, administrative, and management support services Multiple-Award Contracts were properly competed among all awardees and whether contracting officer’s representatives performed adequate oversight, including reviewing invoices.

DoD Use of Unfinalized Contractual Actions (D2009-D000CG-0248.000) Objective: Determine DoD compliance with restrictions on unfinalized contractual actions imposed by section 2326, title 10, United States Code. Additionally, determine whether unfinalized contractual actions were appropriately justified and were finalized at fair and reasonable prices.

Facilities Management Training Provided Under the National Operations and Maintenance Contracts in Afghanistan (D2011-D000JO-0137.000) Objective: Determine whether vocational training provided under the National Operations and Maintenance contracts is effective in developing the infrastructure maintenance capabilities of the Afghanistan National Security Forces

Implementation of Security Provisions of a U.S. Army Intelligence and Security Command Contract for Linguist Support (D2010-D000JA-0165.001) Objective: Determine whether the security provisions of a U.S. Army Intelligence and Security Command contract for linguist support in Afghanistan were implemented effectively.

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Pricing and Oversight of the Kuwait Observer Controller Team Task Orders (D2011-D000AS-0287.000) This audit will be the third in a series of audits relating to the Warfighter Field Operations Customer Support contract. Objective: Determine whether the U.S. Army Program Executive Office for Simulation, Training, and Instrumentation obtained fair and reasonable prices for goods and services on the Kuwait Observer Controller Team task orders and appropriately developed contractor surveillance and oversight processes and procedures for the task orders.

Prime Vendors for Subsistence Supporting U.S. Forces Korea (D2011-D000LG-0073.000) Objective: Evaluate contract administration of the Prime Vendor Program for subsistence in support of Korea. Specifically, evaluate the effectiveness of the Defense Logistics Agency-Troop Support oversight, surveillance and procedures for assessing contractor performance to include an evaluation of whether the costs billed to the Government were fair and reasonable.

Reimbursable Fees at Requested Major Range and Test Facility Bases (D2010-D000AB-0290.000) This audit is performed at the request of the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, Test Resource Management Center. Objective: Determine whether the reimbursable fees for the DoD Major Range and Test Facility Bases are being charged appropriately in accordance with statutory, DoD, and Service requirements.

Requirements Development Process for Military Construction Projects in Afghanistan (D2011-D000JB-0068.000) Objective: Evaluate the requirements development process for military construction projects in Afghanistan and determine whether the requirements development process results in a statement of work that clearly explains the required results, has measurable outcomes, and meets the needs of DoD.

Transparency and Accountability of U.S. Army Reserve Component Equipment Transfers (D2011-D000AT-0274.000) Objective: Determine whether the U.S. Army has transparency and accountability for equipment transferred between the U.S. Army and U.S. Army Reserve Components..

U.S. Army Corps of Engineers, Civil Works, New Orleans District Controls Over Contract Awards and Oversight Processes (D2011-D000FE-0270.000) Objective: Determine whether U.S. Army Corps of Engineers, Civil Works, New Orleans District, has established adequate internal controls over its contract oversight processes. Specifically, review the policies and procedures used to solicit, award, and administer contracts.

Volume Discount and Rebate Billing Practices for the Maintenance, Repair, and Operations Prime Vendor Contractor for U.S. Installations in South Korea (D2011-D000LD-0261.000) This assessment is in response to a congressional request. Objective: Determine whether the maintenance, repair, and operation Prime Vendor contractor for Korea received volume discount savings or rebates for items associated with contract SPM500-05-D-BP07 and, if so, determine whether the contractor credited these savings and rebates to the Department of Defense.

PLANNED PROJECTS

Analysis of Subcontractor Costs on Firm-Fixed Price Contracts for Major Weapons Systems Objective: Determine if the government and the contractor were fully complying with DoD policy guidance for the analysis of subcontractors' pricing proposals and whether effective use was made of such analysis in the negotiation of prime contracts. Also determine whether quantity discounts were effectively passed on to the Government to ensure a best value for direct materials and major subcontracts.

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Contract Administration and Oversight of Military Construction Projects in Afghanistan

Objective: Determine whether DoD is providing effective oversight of military construction projects. Specifically, determine whether DoD is adequately performing quality assurance oversight responsibilities and properly monitoring contractor performance during construction.

Contractor Past Performance Information Objective: Determine whether the DoD “Contractor Performance Assessment Reporting System” policy guidance has resulted in better compliance and if the Military Departments properly collect and maintain past performance information for use in award decisions. Additionally, evaluate whether program management officials properly prepare evaluations of contractor performance and enter the information into the Past Performance Information Reporting System and whether past performance information is used by acquisition officials in awarding contracts.

Contracts Supporting the Defense Enterprise Accounting and Management System

Objective: Determine whether DoD and U.S. Air Force officials administered contracts supporting the Defense Enterprise Accounting Management System in an effective and efficient manner.

Contracts Supporting the Logistics Modernization Program System Objective: Determine whether Army officials administered contracts supporting the Logistics Modernization Program in an effective and efficient manner. Specifically, determine whether: Government oversight of contractor performance was adequate; adequate quality assurance plans have been implemented; contracts are funded in accordance with regulations; and modifications that increase contract costs are properly supported.

Contracts Supporting the General Fund Enterprise Business System Objective: Determine whether Army officials administered contracts supporting the General Fund Enterprise Business System program in an effective and efficient manner. Specifically, determine whether: Government oversight of contractor performance was adequate; adequate quality assurance plans have been implemented; contracts are funded in accordance with regulations; and modifications that increase contract costs are properly supported.

Controls over the Accountability of Contractor Managed Government Owned Property in Afghanistan Objective: Determine whether Joint Theater Support Contracting Command has adequate controls over Contractor Managed Government Owned property in Afghanistan. Specifically, determine whether policies, processes, and procedures exist for the proper accountability of Contractor Managed Government Owned and whether Joint Theater Support Contracting Command adequately executes those policies, processes and procedures.

Defense Advanced Research Projects Agency’s Ethics Program This audit will be the second in the series related to Defense Advanced Research Projects Agency and will review their Ethics Program. Objective: Review the Defense Advanced Research Projects Agency ethics policies and program implementation to ensure they are consistent with Federal Government conflicts of interest mitigation standards and that Defense Advanced Research Projects Agency personnel are properly trained and understand the policies with respect to Defense Advanced Research Projects Agency operations.

Defense Logistics Agency Procedures for Purchasing DoD Mission Critical Assets

Objective: Determine whether Defense Logistics Agency used appropriate and effective contracting procedures to provide customers with mission critical spare parts.

DoD Compliance with Federal Acquisition Regulations Revisions for the Use of Cost Reimbursement Contracts Objective: Review DoD Compliance with FAR revisions on the use of Cost-Reimbursement contracts. Specifically, review the revisions included in the guidance regarding: when and under what circumstances cost reimbursement contracts are appropriate, the acquisition plan findings necessary to support a decision to use cost-reimbursement contracts, and the acquisition workforce necessary to award and manage cost reimbursement contracts.

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DoD Research and Development Contracting Practices Objective: Review the award and the administration of Research and Development contracts. Specifically, review the extent of market research, the types of contracts used to purchase services, the adequacy of competition and price reasonableness determinations, and the Government contract surveillance.

DoD's Linguist Contract Management Objective: Evaluate whether DoD adequately managed contracts for linguist support. Specifically, evaluate the requirements development process and oversight of contracts.

Improvements Needed in Contract Administration of the Subsistence Prime Vendor Contract for Afghanistan Objective: Evaluate the contract administration of the Prime Vendor Program for subsistence in support of Operation Enduring Freedom. Specifically, review whether the assignment of Contracting Officer Representatives and execution of the quality assurance surveillance plans and procedures were effective for assessing contractor performance.

Improving Construction Contracting in a Contingency Environment Objective: Provide DoD field commanders, contracting officers, and program managers with information on systemic construction contracting issues identified by the Office of Inspector General, Government Accountability Office, and the DoD community from October 1, 2009 through September 30, 2011. Specifically, identify actions to be taken to prevent and correct systemic issues and improve construction contracting in a contingency environment.

Marine Corps' Use of the Commercial Enterprise Omnibus Support Services Program Objective: Determine whether Marine Corps Systems Command is complying with the requirements regarding the Commercial Enterprise Omnibus Support Services program. In addition, determine whether the Marine Corps Systems Command use of the Commercial Enterprise Omnibus Support Services program is actually beneficial from a pricing and timeliness standpoint versus standard competitive contracting procedures.

MQ-1 Predator and MQ-9 Reaper Unmanned Aircraft Systems Contracts Objective: Determine whether DoD officials properly awarded and administered contracts for the MQ-1 Predator and MQ-9 Reaper unmanned aircraft systems maintenance support in accordance with Federal and DoD regulations and policies. Specifically, review whether other contractors are available to increase competition for future contract awards, plans for future follow-on contracts, and Government contract oversight.

Oversight of Department of Defense Education Activity Military Construction Projects in Europe Objective: Determine whether Department of Defense Education Activity effectively managed and administered military construction contracts for school in Europe.

Service Contracts at Major Range and Test Facility Bases Objective: Review management of selected omnibus service contracts used to perform primary test and evaluation missions at selected Major Range and Test Bases. Specifically, review the adequacy of the contract award process and oversight of contracts and contractor personnel to determine if they are complying with Federal Acquisition Regulations requirements.

U. S. Special Operations Command Global Battlestaff and Program Contract Oversight Objective: Determine if Special Operations Command officials provided adequate oversight of the Global Battlestaff and Program contract. Specifically, determine if:

- personnel properly monitored contractor performance,
- contracting officers representative training is tailored to the complexity of the contract, and
- the contractor is performing inherently governmental functions.

AFGHAN SECURITY FORCES FUND

ONGOING PROJECTS

Accountability for Night Vision Devices Procured for the Afghan National Security Forces (D2011-D000AT-0221.000) Objective: Evaluate accountability for night vision devices and associated spare parts procured for the Afghan National Security Forces.

Adequacy of Controls Over Small Arms Contracts for the Afghanistan National Security Forces (D2011-D000AT-0246.000) Objective: Evaluate contract award, pricing, and quality assurance provisions for small arms, to include accessories and spare parts, acquired using Afghanistan Security Forces Funds. Specifically, determine whether the contract processes were in accordance with applicable acquisition regulations.

Afghan National Police Training Mentoring/Training and Logistics Support Contract (D2011-D000AS-0271.000) This audit will be first in a series of audits on the Afghan National Police Mentoring/Training and Logistics Support contract. Objective: Determine whether DoD officials are using appropriate contracting processes to satisfy mission requirements and are conducting appropriate oversight of the contract in accordance with Federal and DoD policies. Specifically, determine whether the Army is appropriately administering the Afghan National Police Mentoring/Training and Logistics Support Contract in accordance with Federal and DoD guidance.

Development of Individual Equipment Requirements for the Afghan National Army (D2011-D000AT-0222.000) Objective: Determine whether the development process for Afghan National Army individual equipment requirements was adequate

Fees and Surcharges on Intragovernmental Orders Funded by Afghanistan Security Forces Fund Appropriations (D2011-D000FD-0121.000) Objective: Determine what fees and surcharges DoD Components charge on intragovernmental orders funded by Afghanistan Security Forces Fund appropriations.

Management and Oversight for DoD Acquisition and Support of Non-Standard Rotary Wing Aircraft (D2011-D000AS-0030.000) Objective: Determine whether DoD officials properly and effectively managed the acquisition and support of Non-Standard Rotary Wing Aircraft, such as the Russian Mi-17 aircraft, to include those acquired using the Afghanistan Security Forces Fund or any DoD-related requirements.

PLANNED PROJECTS

Afghan Technical Equipment Maintenance Program Objective: Determine whether DoD properly awarded and administered contracts supporting the ATEMP. Specifically, review contract requirements, Government oversight of contractor and subcontractor performance, and obligation and management of Afghan Security Forces Funds.

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Ammunition Contracts for the Afghan National Security Forces Objective: Determine whether DoD officials properly awarded and administered contracts for the acquisition of Afghan National Security Forces non-standard ammunition in accordance with Federal and DoD regulations and policies. Specifically, review contract requirements, Government oversight of contractor and subcontractor performance, and obligation and management of Afghan Security Forces Funds.

Availability of Afghanistan Security Forces Funds on Pseudo Foreign Military Sales Cases for the Afghan National Security Forces Objective: Determine whether the Department of the Army has established adequate controls over available funds on Afghan Security Forces Funds pseudo Foreign Military Sales cases. Specifically, determine whether available funds are being properly accounted for and represent valid needs.

C-27 Aircraft for the Afghan National Army Air Force Objective: Determine whether DoD officials properly awarded and administered contracts for the C-27 aircraft for the Afghan National Army Air Force in accordance with Federal and DoD regulations and policies. Specifically, review the fair and reasonable price determination, Government oversight of contractor and subcontractor performance, and obligation and management of Afghan Security Forces Funds.

Contracts Supporting Afghanistan Rotary Wing Airlift Program for the United States Transportation Command Objective: Determine whether U.S. Transportation Command officials properly administered contracts supporting the Afghanistan Rotary Wing Airlift Program in accordance with Federal and DoD regulations and policies. Additionally, review the Government contract oversight and whether the contracting officer or their representatives approved the cost reimbursable contract line items to ensure that the costs appropriate.

Maintenance and Sustainability of Night Vision Devices Procured for the Afghan National Security Forces Objective: Evaluate the Afghan National Security Force's (ANSF) ability to maintain and sustain Night Vision Devices (NVDs) procured by the U.S. Specifically, determine whether Combined Security Transition Command-Afghanistan (CSTC-A) has considered future U.S. financial assistance and the Government of Afghanistan's capability to generate enough revenue to support the sustainment costs for NVDs provided to the ANSF. In addition, determine whether CSTC-A has developed a plan to provide the ANSF with the knowledge and skills to perform adequate maintenance on NVDs.

Overhaul and Cockpit Modifications of Mi-17s Objective: This is a follow-on audit to DoD Project No. D2011-D000AS-0241.000, "Audit of the DoD Counter Narcoterrorism Technology Program Office's Other Direct Cost." Objective: Determine whether DoD officials properly awarded and administered contract number W58RGZ-09-D-0130 for the overhaul and modification of Mi-17s in accordance with Federal and DoD regulations and policies.

Radio Contracts for the Afghan National Security Forces Objective: Determine whether DoD officials properly awarded and administered the contract for Afghan National Security Forces radios in accordance with Federal and DoD regulations and policies. Specifically, review the fair and reasonable price determination, Government oversight of contractor and subcontractor performance, and obligation and management of Afghan Security Forces Funds.

Shindand Training Contracts Objective: Determine whether DoD officials properly awarded and administered training contracts at Shindand Air Base in accordance with Federal and DoD regulations and policies. Specifically, review contract oversight including accountability of government furnished property.

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Support Truck Contracts for the Afghan National Security Forces Objective: Determine whether DoD officials awarded and administered contracts for Afghan National Security Forces support trucks in accordance with appropriate Federal and DoD regulations and policies. Specifically, review the determination for fair and reasonableness price, Government oversight of the contract to include quality and product delivery dates, and use of appropriate funds.

U.S. Army Corps of Engineer's Construction Terminated Contracts for Afghanistan National Army and Afghanistan National Police Facilities Objective: Determine whether U.S. Army Corps of Engineers is providing effective oversight of the completion of Afghan National Army and Afghan National Police construction projects in support of the Afghan National Security Forces. Specifically, determine whether U.S. Army Corps of Engineers is terminating these contracts early, paying the original contractor the remainder of the contract price, and then issuing a new contract to complete that construction project.

CONTRACTOR LOGISTICS SUPPORT AND PERFORMANCE-BASED LOGISTICS ARRANGEMENTS

ONGOING PROJECTS

Contractor Logistics Support Contract for Stryker Vehicles with General Dynamics Land Systems (D2011-D000CH-0032.000) Objective: Evaluate effectiveness of the Contractor Logistics Support sustainment strategy for Stryker vehicles and review contract funding procedures, contract type, performance metrics, contractor billings, and controls over Government property managed by the contractor.

Material Purchases Made Through the Partnership Agreement with Sikorsky Aircraft Corporation at Corpus Christi Army Depot (D2010-D000CH-0077.002) Objective: Determine whether the partnership agreements in place with original equipment manufacturers are effective in minimizing the cost of direct materials to the depot.

PLANNED PROJECTS

Defense Logistics Agency Sole-Source Spare Parts Procurements Objective: Determine whether DoD is obtaining best value and purchasing sole-source spare parts at fair and reasonable prices. Also determine whether recent mandatory procedures for pricing of sole-source commercial items were followed.

Effective Utilization of Government-Owned Inventory in Performance-Based Logistics Arrangements Objective: Determine whether DoD is effectively utilizing Government-Owned inventory in performance-based logistics arrangements. Specifically, determine whether government-owned inventory is being effectively utilized before procuring the same parts from private contractors through performance-based logistics arrangements or contractor logistics support and whether the prices paid for parts were fair and reasonable.

FINANCIAL MANAGEMENT

ONGOING PROJECTS

Accounting for Residual Value From the Sale of U.S. Facilities in Europe (D2011-D000FR-0189.000) Objective: Determine whether DoD personnel properly accounted for residual value transactions for facilities returned to host nations. Specifically, determine whether DoD personnel submitted residual value claims for all returned facilities, obtained monetary or non-monetary consideration, and properly accounted for the use of residual value amounts.

Air Force Academy Gifts and Nonappropriated Funds-(D2011-D000FP-0269.000) Objective: Determine whether the U.S. Air Force Academy, its nonappropriated fund instrumentalities, and its supporting nonprofit organizations are properly, accepting, recording, reporting, and disbursing donations, gifts, and nonappropriated funds.

Attestation of the Existence, Completeness, and Rights of the Department of the Navy's Ships and Submarines, Trident Missiles, and Satellites (D2011-D000DE-0239.000) Objective: Determine whether the Navy accurately accounted for the existence, completeness, and rights of these mission critical assets as of March 31, 2011.

Controls Over Cash and Other Monetary Assets at Overseas Army Finance Command Disbursing Operations (D2011-D000FP-0260.000) Objective: Determine whether internal controls at selected Army disbursing sites outside the continental United States were effectively designed and operating adequately to safeguard, account for, document, and report Cash and Other Monetary Assets held at those sites. In addition, evaluate whether the Army Finance Command effectively implemented technical oversight and provided assistance to Army disbursing sites that did not have oversight by an Army Financial Management Center.

Data and Processes Supporting the Fund Balance with Treasury Reconciliation for Other Defense Organizations (D2010-D000FA-0097.001) Objective: Assess the Other Defense Organizations Fund Balance With Treasury reconciliation processes.

Defense Finance and Accounting Service Billing Rates for Services Provided to Department of Defense Customers (D2011-D000FI-0001.000) Objective: Determine whether methodology the Defense Finance and Accounting Service used to estimate the workcounts and costs for FY 2011 stabilized billing rates complied with applicable laws and regulations and determine whether the Defense Finance and Accounting Service has taken action to reduce rates through greater efficiencies.

Defense Logistics Agency Operating Costs Charged to the Fleet Readiness Center Southwest (D2010-D000LC-0248.000) Objective: Determine whether the Defense Logistics Agency is correctly assessing surcharges for material shipments to the Fleet Readiness Center Southwest. Additionally, determine whether the Defense Logistics Agency is appropriately assessing surcharges for standard orders and hazardous materials as they relate to the Agency's operating costs.

Defense Transportation Coordination Initiative (D2010-D000FI-0246.000) Objective: Determine whether the United States Transportation Command effectively monitored the use of third party logistics contracting efforts to improve coordination of freight shipments in the Continental United States.

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Department of Defense Conversion of Senior Mentors to Highly Qualified Experts (D2010-D000FP-0288.000) Objective: Determine whether DoD has implemented and complied with the Secretary of Defense memorandum, "Policy on Senior Mentors, April 1, 2010," and whether DoD Components consistently implemented the Secretary of Defense senior mentor policy.

Fiscal Year 2009 Air Force General Funds Statement of Budgetary Resources Adjusting Journal Vouchers (D2010-D000FD-0085.000) Objective: Assess the propriety of the Defense Finance and Accounting Service journal voucher adjustments associated with the FY 2009 Air Force General Funds Statement of Budgetary Resources. Additionally, determine whether the journal vouchers are adequately supported and whether any internal control weaknesses exist that may prevent the Department of the Air Force from reporting reliable information in its Statement of Budgetary Resources.

Internal Controls Over U.S. Air Force Working Capital Fund Inventory (D2010-D000FR-0160.000) Objective: Evaluate the controls over U.S. Air Force Working Capital Fund Inventory and the physical inventory control program and related inventory sampling plans.

National Geospatial-Intelligence Agency Compliance with the Defense Base Closure and Realignment Act (D2011-D000DA-0208.000) Objective: This audit is being conducted in response to a congressional request. Objective: Determine whether the National Geospatial-Intelligence Agency complied with Public Law 101-510, "Defense Base closure and Realignment Act of 1990," as amended.

U.S. Naval Academy Gifts and Nonappropriated Funds (D2010-D000FP-0273.000) Objective: Determine whether the U.S. Naval Academy nonappropriated fund instrumentality and its supporting nonprofit organizations are properly accepting, recording, reporting, and disbursing donations, gifts, and nonappropriated funds.

PLANNED PROJECTS

Agreed-Upon Procedures for Reviewing the FY 2012 Civilian Payroll Withholding Data and Enrollment Information Objective: Assist the Office of Personnel Management (OPM) in assessing whether Health Benefits, Life Insurance, and Retirement contributions and withholdings, and enrollment information submitted by the Defense Finance and Accounting Service to OPM for FY 2012 were reasonable and accurate. The DoD IG will assist OPM by performing agreed-upon procedures agreed to by the OPM Chief Financial Officer and OPM Inspector General.

Air Force Financial Improvement and Audit Readiness Deliverables Provided Through Contractor Services Objective: Evaluate Air Force contracts to assess internal controls and accounting processes, make improvements, and document audit readiness and determine whether the deliverables efficiently advanced Air Force audit readiness.

Air Force Processes that Support Financial Reporting of Obligations Objective: Determine the adequacy of the Air Force accounting processes that support financial statement reporting of obligations.

Armed Forces Retroactive Stop-Loss Special Pay Program Objective: Determine whether the Department of Defense has efficiently and effectively implemented the Retroactive Stop Loss Special Pay Program. Specifically, assess the adequacy of the internal controls to ensure payments are proper, authorized, and made in a timely manner.

Attestation of DoD Use of Department of State Funds in Support of AIDS Relief Programs Objective: Provide negative assurance that the funds provided under the Memorandum of Agreement were used for their intended purpose.

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Attestation Review of the DoD Counterdrug Program FY 2011 Obligations Objective: Attest as to whether the funds DoD obligated for the National Drug Control Program in FY 2011 are reported, in all material respects, in conformity with the Office of National Drug Control Policy Circular “Drug Control Accounting,” May 1, 2007.

Controls over the Department of the Navy Government-Furnished Equipment Objective: Evaluate the Department of the Navy’s internal controls over Government Furnished Equipment at select locations.

Controls over Unliquidated Obligations on Operation and Maintenance Funds Obligated at Fiscal Year-End by the Department of the Navy Objective: Determine whether Department of the Navy has established adequate controls over unliquidated obligations on operation and maintenance funds that were obligated at fiscal year-end and whether unliquidated obligations are being properly accounted for and represent valid needs.

Department of the Army Financial Improvement Plan Objective: Determine whether the Department of Army is effectively managing its Financial Improvement Plan to meet financial improvement and audit readiness goals and using appropriated funds efficiently when obtaining contractor support.

Department of the Navy Information Technology Systems’ Inherited Controls Objective: Determine if responsible parties, as identified in Service Level Agreements, perform necessary inherited controls for Department of Navy information systems.

Department of the Navy’s Financial Improvement Program Objective: Determine if the Department of Navy is effectively managing its Financial Improvement Program to meet Financial Improvement and Audit Readiness goals are able to achieve and sustain auditability as indicated through the assertion process.

Department of the Navy’s Unfunded Ship Depot Maintenance Objective: Determine the effect of unfunded ship depot maintenance requirements on the maintenance, operation, and readiness of the Navy’s ships.

DoD Plans for Reducing Non-Tactical Fuel Costs as Required by the Energy Independence and Security Act (EISA) of 2007 Objective: Evaluate the Army, Navy, and Air Force plans for reducing non-tactical fuel costs and realize savings and determine whether they will enable the Components to meet the goals outlined in 10 U.S.C. 2911, EISA 2007, and Executive Order 13514.

DoD’s National Capital Region Vehicle Fleets Objective: Determine whether DoD agencies and the military services have excessive numbers of non military vehicles on hand in their National Capital Region vehicle fleets. Specifically, determine whether DoD agencies and the military services can achieve cost savings by reducing the number of vehicles they have in their National Capital Region vehicle fleets and DoD agencies and the military services have controls in place to monitor the number of vehicles in their fleets.

Examination of the Controls Over the Existence of Army Military Equipment Objective: Assess the effectiveness of the Army’s internal controls over the of Army military equipment at select Army locations. Specifically, identify controls in place and operating pertaining to the management assertion of existence of Army military equipment.

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Financial Improvement and Audit Readiness Plan Objective: Determine how efficient and effective the DoD Financial Improvement and Audit Readiness Plan has been since FY 2007. Specifically, evaluate how the Financial Improvement and Audit Readiness Directorate is monitoring the progress of the Financial Improvement and Audit Readiness Plan, the funds spent on improvements have been achieved that will enable DoD to become audit ready by FY 2017.

Processes Used to Collect and Remit (Waive) Individual Debt within the Department of Defense Objective: Determine whether Defense Finance and Accounting Service and Army Human Resources Center have adequate controls over the initiation, collection and remittance (waiver) of debt for active and inactive duty service members and civil service employees. Specifically, review whether Defense Finance and Accounting Service and Army Human Resources Center's controls ensure that prior to considering a debt for remittance or waiver it was reviewed for potential fraud, larceny, embezzlement, or other unlawful means and in accordance with applicable laws and regulations that would prohibit the debt from being remitted or cancelled. Additionally, identify the process which Defense Finance and Accounting Service and Army Human Resources Center use to remit (waive) debt and identify areas which could benefit from more efficient processes.

Total Cost Estimate for the Guam Realignment Objective: Examine DoD, Joint Guam Project Office, and the Marine Corps' process for developing total cost estimates for the military buildup in Guam. Specifically, review the plan, data, assumptions, risks, and methodology used to develop the total cost estimate for the Guam Realignment.

U.S. Military Academy, West Point Controls Over Gift Processes and Non-Appropriated Funds Objective: Determine whether the U.S. Military Academy, non-appropriated fund instrumentalities, and its supporting non-profit organizations are properly accepting, recording, reporting, and disbursing monetary and nonmonetary gifts, sponsorship funds, and non-appropriated fund instrumentalities funds in accordance with criteria.

FINANCIAL STATEMENTS

ONGOING PROJECTS

Air Force General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FD-0119.000) Objective: Determine whether the FY 2011 Air Force General Fund Financial Statements, present fairly, in all material respects, its financial position, net cost of operations, changes in financial position, and the status of its budgetary resources, in conformity with Generally Accepted Accounting Principles. The DoD IG will conduct limited reviews of Air Force internal controls over financial reporting or compliance with laws.

Air Force Working Capital Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FD-0120.000) Objective: Determine whether the FY 2011 Air Force Working Capital Fund Financial Statements, present fairly, in all material respects, its financial position, net cost of operations, changes in financial position, and the status of its budgetary resources, in conformity with Generally Accepted Accounting Principles. The DoD IG will conduct limited reviews of Air Force internal controls over financial reporting or compliance with laws and regulations related to the financial statements. The DoD IG will not express an opinion on the reliability of the internal controls over financial reporting or compliance with laws.

Department of the Army General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FI-0178.000) Objective: Determine whether the Army General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 taken as a whole were presented fairly in all material respects and in conformity with generally accepted accounting principles.

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Department of the Army Working Capital Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FI-0138.000) Objective: Determine whether the Army Working Capital Fund Principal Financial Statements, as of September 30, 2011 and 2010, taken as a whole, are fairly presented in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Additionally, review the consolidated Balance Sheet as of September 30, 2011 and 2010, the related Consolidated Statements of Net Cost, and Net Position, and Combined Statement of Budgetary Resources for the years then ended. Also, review selective internal controls related to the reliability of financial reporting and compliance with laws and regulations that relate to the financial statements.

Department of the Navy General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FN-0150.000) Objective: Determine whether the principal Navy General Fund financial statements as of September 30, 2011 and 2010, taken as a whole, were presented fairly, in all material respects, and in conformity with generally accepted accounting principles of the United States of America.

Department of the Navy Working Capital Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FN-0158.000) Objective: Determine whether Department of the Navy Working Capital Fund financial statements as of September 30, 2011 and 2010, taken as a whole, were presented fairly, in all material respects, and in conformity with generally accepted accounting principles of the United States of America.

DoD Agency-Wide Basic Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FE-0165.000) Objective: Determine whether the DoD Agency-Wide Basic Financial Statements as of September 30, 2011 and 2010, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Additionally, determine whether these principles were consistently applied.

DoD Medicare Eligible Retiree Health Care Fund Fiscal Year 2011 Financial Statements (D2011-D000FR-0191.000) Objective: Determine whether the FY 2011 Medicare Eligible Retiree Health Care Fund financial statements and related footnotes, taken as a whole, are presented fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, and in accordance with Office of Management and Budget Circular No. A-136, "Financial Reporting Requirements," June 3, 2008. Additionally, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that relate to the financial statements.

DoD Special-Purpose Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FE-0165.001) Objective: Determine whether the Special-Purpose Financial Statements and accompanying notes for DoD as of September 30, 2011 and 2010, fairly present, in all material respects, its financial position, net costs, and changes in net position, in conformity with accounting principles generally accepted in the United States of America and the presentation requirements set forth in the Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, (TFM 2-4700).

Oversight of the Audit of FY 2011 Military Retirement Fund Basic Financial Statements (D2011-D000FP-0166.000) Objective: Provide oversight of audit work performed by the Independent Public Accountant contracted to conduct the financial statement audit. The Independent Public Accountant will determine whether the FY 2011 Military Retirement Fund financial statements are presented fairly in accordance with generally accepted accounting principles and Office of Management and Budget Circular A-136, "Financial Reporting Requirements." The Independent Public Accountant will also assess internal controls and compliance with laws and regulations pertaining to the financial statements. Additionally, follow up on corrective actions resulting from previous audits of the Military Retirement Fund's financial statements.

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TRICARE Management Activity Contract Resource Management FY 2011 Financial Statements (D2011-D000FR-0192.000)

Objective: Determine whether the FY 2011 Contract Resource Management Financial Statements and related footnotes, taken as a whole, are presented fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, and in accordance with Office of Management and Budget Circular No. A-136, "Financial Reporting Requirements," June 3, 2008. Additionally, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that relate to the financial statements.

U.S. Army Corps of Engineers-Civil Works Principal Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FE-0142.000)

Objective: Determine whether U.S. Army Corps of Engineers - Civil Works Financial Statements as of September 30, 2011 and 2010, taken as a whole, are presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Additionally, review the Consolidated Balance Sheet as of September 30, 2011 and 2010, and the related Consolidated Statements of Net Cost, Net Position, and Budgetary Resources for the fiscal years then ended. Also, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that apply to the financial statements.

United States Marine Corps General Fund Statement of Budgetary Resources for the Fiscal Years Ending September 30, 2011 and 2010 (D2011-D000FN-0154.000)

Objective: Determine whether the United States Marine Corps Statement of Budgetary Resources for the Years Ended September 30, 2011 and 2010 taken as a whole were presented fairly in all material respects in conformity with generally accepted accounting principles of the United States of America. The results of the audit will be for the DoD IG to render an opinion on the current year Statement of Budgetary Resources. This opinion will be based on our oversight of the audit procedures performed by an independent public accountant.

PLANNED PROJECTS

Air Force General Fund Basic Financial Statements as of and for the Years Ending September 30, 2012 and 2011

Objective: Determine whether the FY 2012 Air Force General Fund financial statements, present fairly, in all material respects, its financial position, net cost of operations, changes in financial position, and the status of its budgetary resources, in conformity with Generally Accepted Accounting Principles. The DoD IG will make limited reviews of Air Force internal controls over financial reporting and compliance with laws and regulations related to the financial statements. the DoD IG will not express an opinion on the reliability of internal controls over financial reporting or compliance with laws.

Air Force Working Capital Fund Basic Financial Statements as of and for the Years Ending September 30, 2012 and 2011

Objective: Determine whether the FY 2012 Air Force Working Capital Fund financial statements, present fairly, in all material respects, its financial position, net cost of operations, changes in financial position, and the status of its budgetary resources, in conformity with Generally Accepted Accounting Principles. The DoD IG will make limited reviews of Air Force internal controls over financial reporting and compliance with laws and regulations related to the financial statements. The DoD IG will not express an opinion on the reliability of internal controls over financial reporting or compliance with laws.

Deputy Inspector General for Auditing FY 2012 Audit Plan

Department of the Army General Fund Principal Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011 Objective: Determine whether the Army has fairly presented the Army General Fund Principal Financial statements, as of September 30, 2012 and 2011, taken as a whole, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, review the Consolidated Balance Sheet as of September 30, 2012 and 2011; the related Consolidated Statements of Net Cost and Changes in Net Position; and the Combined Statement of Budgetary Resources for the years then ended. In addition, review internal controls over financial reporting and compliance with laws and regulations related to the financial statements.

Department of the Army Working Capital Fund Principal Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011 Objective: Determine whether the Army has fairly presented the Working Capital Fund Principal Financial statements, as of September 30, 2012 and 2011, taken as a whole, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, review the Consolidated Balance Sheet as of September 30, 2012 and 2011; the related Consolidated Statements of Net Cost and Changes in Net Position; and the Combined Statement of Budgetary Resources for the years then ended. In addition, review internal controls over financial reporting and compliance with laws and regulations related to the financial statements.

DoD Agency-Wide Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011 Objective: Determine whether the DoD Agency-Wide Financial Statements as of September 30, 2012 and 2011, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America.

DoD Medicare Eligible Retiree Health Care Fund FY 2012 Financial Statements Objective: Determine whether the FY 2012 Medicare Eligible Retiree Health Care Fund financial statements and related footnotes, taken as a whole, are presented fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, and in accordance with Office of Management and Budget Circular No. A-136, "Financial Reporting Requirements," September 29, 2010. Also, review internal control related to the reliability of financial reporting and compliance with laws and regulations that relate to the financial statements. The audit will support our audit of the FY 2012 DoD-wide consolidated financial statements, which we will announce in a separate memorandum.

DoD Special Purpose Financial Statements for the Fiscal Years Ending September 30, 2011 and 2010 Objective: Provide an additional level of assurance on the process of reclassifying DoD audited general-purpose financial statements to the formats of the special-purpose financial statements as required by the Treasury Financial Manual, Chapter 4700.

FY 2012 Department of the Navy General Fund Financial Statements Objective: Determine whether the principal Navy General Fund Financial Statements as of September 30, 2012 and 2011 taken as a whole were presented fairly in all material respects and in conformity with generally accepted accounting principles.

FY 2012 Department of the Navy Working Capital Fund Financial Statements Objective: Determine whether the principal Navy Working Capital Fund Financial Statements as of September 30, 2012 and 2011 taken as a whole were presented fairly in all material respects and in conformity with generally accepted accounting principles.

Deputy Inspector General for Auditing FY 2012 Audit Plan

Oversight of the FY 2012 Military Retirement Fund Financial Statement Audit Objective: Oversee audit work performed by an Independent Public Accountant that is contracted with to conduct the financial statement audit. The Independent Public Accountant will determine whether the FY 2012 Military Retirement Fund financial statements are presented fairly in accordance with Office of Management and Budget Circular A-136, "Financial Reporting Requirements." The Independent Public Accountant will also assess internal controls and compliance with laws and regulations pertaining to the financial statements. In addition, the Independent Public Accountant will follow up on corrective actions resulting from previous audits of the Military Retirement Fund's financial statements.

Principal U.S. Army Corps of Engineers, Civil Works, Financial Statements for Fiscal Years Ended September 30, 2012 and 2011 Objective: Determine whether KPMG complied, in all material respects, with U.S. generally accepted government auditing standards in performing the audit of U.S. Army Corps of Engineers, Civil Works, Financial Statements as of September 30, 2012 and 2011.

TRICARE Management Activity Contract Resource Management FY 2012 Financial Statements Objective: Determine whether the FY 2012 Contract Resource Management financial statements and related footnotes, taken as a whole, are presented fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America, and in accordance with Office of Management and Budget Circular No. A-136, "Financial Reporting Requirements," September 29, 2010. Additionally, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that relate to the financial statements. Also, fully consider suggestions from management on additional or revised objectives.

United States Marine Corps General Fund Statement of Budgetary Resources for the Fiscal Years Ending 2012 and 2011 Objective: Determine if the United States Marine Corps Statement of Budgetary Resources for the Years Ended September 30, 2012 and 2011 taken as a whole were presented fairly in all material respects in conformity with generally accepted accounting principles of the United States of America. The results of the audit will be for the DoD IG to render an opinion on the current year Statement of Budgetary Resources financial statement, issue a report on internal controls, and a report on compliance with laws and regulations specifically for the Statement of Budgetary Resources. This opinion will be based on our oversight of audit procedures performed by an Independent Public Accountant.

FINANCIAL SYSTEMS

ONGOING PROJECTS

Army Business Systems Information Technology Strategy (D2011-D000FL-0237.000)

Objective: Determine whether the Army Business Systems Information Technology Strategy and its implementation ensure adequate governance and program management of enterprise resource planning systems.

Beneficiary Data in the Defense Enrollment Eligibility Reporting System (D2010-D000FR-0149.000)

Objective: Assess the completeness and accuracy of beneficiary data contained in the Defense Enrollment Eligibility Reporting System used to estimate health care liabilities reported on DoD financial statements. Additionally, review and verify the eligibility of beneficiaries in the Defense Enrollment Eligibility Reporting System based on published eligibility requirements and supporting documentation.

Defense Enterprise Accounting and Management System (D2011-D000FH-0097.000)

Objective: Determine whether Defense Enterprise Accounting and Management System properly fulfilled selected functional capabilities needed to generate timely, accurate, and reliable financial management information.

Deputy Inspector General for Auditing FY 2012 Audit Plan

Department of Defense Enterprise Transition Plan (D2011-D000DB-0205.000)

Objective: Determine whether the Department of Defense established effective controls over the development of the FY 2011 Enterprise Transition Plan.

General Fund Enterprise Business System Compliance with the Standard Financial Information Structure and the U.S. Government Standard General Ledger (D2010-D000FL-0204.000)

Objective: Determine whether the General Fund Enterprise Business System provides DoD Management with timely, accurate, and reliable financial information and determine whether the General Fund Enterprise Business System is compliant with the Standard Financial Information Structure and the U.S. Standard General Ledger.

General Fund Enterprise Business System Contract Modifications for the Project Office Leased Space (D2011-D000FL-0262.000)

Objective: Determine whether the Army properly modified the General Fund Enterprise Business System contract to include funding for leased space for the General Fund Enterprise Business System Project Office. In addition, determine whether the Army appropriately funded the modifications.

Implementation of Defense Agencies Initiative (D2011-D000DB-0195.000) Objective: Determine whether the Defense Agencies Initiative fulfilled the functional capabilities needed to generate timely, accurate, and reliable financial statements.

Implementation of Defense Departmental Reporting System-Budgetary Within the Army General Fund (D2010-D000FL-0214.000)

Objective: Determine whether the Defense Departmental Reporting System-Budgetary was effectively implemented and whether the Army General Fund data is reliable. Additionally, follow up on the Defense Finance and Accounting Systems and Defense Business Transformation Agency implementation of the recommendations made in related prior audit reports.

Joint Contracting Command Iraq/Afghanistan Transition to the Standard Procurement System-

Contingency (D2009-D000FB-0112.000) Objective: Determine whether the deployment of the Standard Procurement System (to include the Standard Procurement System-Contingency configuration) in the Joint Contracting Command Iraq/Afghanistan, was properly planned and executed.

Logistics Modernization Program System Abnormal Account Balances and Audit Trails for the Purchasing Cycle (D2010-D000FI-0234.000)

Objective: Determine whether the appropriate internal controls are in place within the Logistics Modernization Program system to record the accounting transactions related to the purchase of goods and services. Additionally, determine the reasons for abnormal account balances or transactional relationships and determine whether the Logistics Modernization Program system properly supports the accounting transactions within the general ledger accounts with verifiable audit trails.

Navy Enterprise Resource Planning System's Compliance With the Standard Financial Information Structure and the U.S. Government Standard General Ledger (D2011-D000FN-0002.000)

Objective: Determine whether the Navy Enterprise Resource Planning System provides DoD management with accurate, timely, and reliable financial information and if the Navy Enterprise Resource Planning is compliant with the Standard Financial Information Structure and the U.S. Standard General Ledger.

PLANNED PROJECTS

Army's Project Management of the Global Combat Support System-Army Objective: Determine whether the Global Combat Support System-Army program management developed an adequate implementation plan, system requirements are fully defined, the business processes are efficient and fully developed, and the numerous system interfaces, cost estimates are complete, and the system is compliant with Federal Managers Financial Integrity Act.

Army Working Capital Fund Inventory in the Logistics Modernization Program System

Objective: Determine whether Logistics Modernization Program is accurately computing the historical cost of inventory using Moving Average Cost. Specifically, determine whether the Army corrected the baseline inventory amounts and whether the Logistics Modernization Program accurately computes moving average cost after inventory purchases.

Controls Over the Acquire-to-Retire End-To-End Business Process Transactions Processed Within the General Fund Enterprise Business System

Objective: Determine whether General Fund Enterprise Business System properly supports the Army's FY 2011 accounting transactions within the Acquire-to-Retire end-to-end business process with verifiable audit trails and if the associated system interfaces are used efficiently and have adequate controls.

Defense Agencies Initiative Audit Trails for the Budget to Report Cycle Objective: Determine whether Defense Agencies Initiative's budget-to-report process fulfilled selected functional capabilities needed to generate timely, accurate, and reliable financial management information.

Defense Agencies Initiative Procure to Pay Business Process Objective: Determine whether the Defense Agencies Initiative procure-to-pay process fulfilled selected functional capabilities as needed to generate timely, accurate, and reliable financial management information.

Defense Enterprise Accounting and Management System Data Migration Strategy

Objective: Determine whether there is a data migration strategy to transfer financial information from legacy financial systems to Defense Enterprise Accounting and Management System. Also, determine whether that strategy will adequately account for the historical financial information transferring from legacy systems to Defense Enterprise Accounting and Management System. Specifically, determine whether the legacy financial information transferred from legacy systems to Defense Enterprise Accounting and Management System is accurate and complete.

Defense Enterprise Accounting and Management System Order-to-Cash Process

Objective: Determine whether the Defense Enterprise Accounting and Management System orders-to-cash process functions as needed to generate timely, accurate, and reliable financial management information. Specifically, determine whether orders-to-cash transactions are posted accurately within Defense Enterprise Accounting and Management System and are supported by sufficient, reliable source documents.

Defense Logistics Agency's Enterprise Business System Objective: Determine whether Defense Logistics Agency's Enterprise Business System fulfilled selected functional capabilities needed to generate timely, accurate, and reliable financial statements.

Defense Logistics Agency's Enterprise Business System Procure to Pay Business Process

Objective: Determine whether the Enterprise Business System procure-to-pay process fulfilled selected functional capabilities needed to generate timely, accurate, and reliable financial management information.

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Efficiency of Navy Financial Data Processed Through the Navy Enterprise Resource Planning System Objective: Determine whether Navy Enterprise Resource Planning has been implemented to allow the Navy to streamline all its business activities efficiently into one system. Specifically, trace the Navy Enterprise Resource Planning trial balance data to its transaction level support to ensure Navy Enterprise Resource Planning is the system of original entry and there are not redundant systems or processes being used.

Logistics Modernization Program System Implementation of the Order-to-Cash Business Process Objective: Determine whether Logistics Modernization Program had internal controls in place to record the accounting transactions related to the Business Enterprise Architecture Order-to-Cash business process. Specifically, determine whether Logistics Modernization Program correctly recorded Army Working Capital Fund account receivable and revenue transactions within the general ledger accounts and supported them with verifiable audit trails.

Wide Area Workflow System Access Objective: Determine whether the Wide Area Workflow system has adequate general controls. Specifically, determine whether access controls and segregation of duties are in place and operating effectively.

IMPROPER PAYMENTS

ONGOING PROJECTS

Controls Over the Interagency Transfer of Commander's Emergency Response Program Funds to U.S. agency for International Development (D2011-D000FL-0218.000) Objective: Determine whether U.S. Forces-Afghanistan controls over the interagency transfer of Commander's Emergency Response Program Funds to the U.S. Agency for International Development were adequate to ensure compliance with Economy Act Order requirements and the timely and cost-effective delivery of goods and services ordered.

Controls Over the Reporting and Propriety of Commander's Emergency Response Program Payments in Afghanistan (D2010-D000FL-0276.000) Objective: Determine whether the internal controls over the Commander's Emergency Response Program payments made to support operations in Afghanistan are adequate. Additionally, review the controls to ensure payments are proper and that complete, accurate, and meaningful data is reported to those decision-makers responsible for managing the Commander's Emergency Response Program.

DoD Service-Disabled Veteran-Owned Small Business Set-Aside Program (D2010-D000FJ-0189.000) Objective: Evaluate the controls over the DoD Service-Disabled Veteran-Owned Small Business set-aside program.

Internal Controls Over Distribution and Reconciliation of Funds for the Afghanistan National Army Payroll (D2011-D000FR-0089.000) Objective: Determine whether adequate controls are in place to ensure that the North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan is distributing DoD funds accurately and timely to the Afghanistan Ministries for the Afghanistan National Army payroll and have implemented adequate mentoring processes to assist Afghanistan officials in providing accurate payments to Afghanistan National Army personnel.

Payments Processed through One Pay (D2011-D000DE-0214.000) Objective: Determine whether the Defense Finance and Accounting Service processes are effective at detecting and preventing improper payments processed through the One Pay system.

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U.S. Army Government Purchase Card High-Risk Transactions (D2010-D000FJ-0202.000)

Objective: Determine whether U.S. Army Government Purchase Card transactions identified as high risk by the Purchase Card Online System were proper and in compliance with applicable laws and regulations. Additionally, if improper transactions are identified, determine whether the U.S. Army approving officials also detected the improper transactions.

PLANNED PROJECTS

8(a) Alaska Native Corporation and Potential Pass-Through(s) Objective: Determine whether controls are adequate to ensure that DoD awards to 8(a) Alaska Native Corporations meet the intent of Section 8(a) of the *Small Business Act* (15 U.S.C. 637(a)) and DoD Directive 4205.01 DoD Small Business Programs and controls are in place to monitor amounts subcontracted.

Accuracy of Approving Officials Review of Government Purchase Card Transactions Identified as High-Risk by the Purchase Card On Line System Objective: Determine whether the transactions that the Purchase Card On-line System identified as high risk were adequately reviewed and addressed. Specifically, focus on determining whether high risk transactions identified by the Purchase Card On-line Systems at the locations where it is deployed were promptly and accurately analyzed, and appropriate actions were taken to correct the transactions that were not compliant with laws and regulations.

Adequacy of National Geospatial-Intelligence Agency Controls to Prevent and Detect Improper Payments Objective: Assess the adequacy of National Geospatial-Intelligence Agency controls to prevent and detect improper payments.

Army's Controls over Foreign Currency Exchange Gains and Losses Objective: Determine whether Army has adequate controls over foreign currency exchange gains or losses resulting from Army commercial payments. Specifically, review whether Army's contracting and payment controls ensured that foreign currency exchange gains and losses were proper, recorded accurately, and not misappropriated.

Controls over Navy Reservist Military Payroll Objective: Determine whether Navy Reservist were paid in accordance with established laws and regulations. Specifically, determine whether pay disbursed for Navy Reservist personnel processed by Defense Finance Accounting Service was paid accurately and timely.

Controls over Payments for the Shipment of Household Goods Objective: Review the Defense Personal Property System and evaluate whether sufficient internal controls exist over payments and whether there is a proactive monitoring process in place to prevent improper payments. Additionally, assess compliance with applicable laws and regulations.

Controls over the U.S. Marine Corps Contract Payments in Afghanistan Objective: Determine whether controls over the U.S. Marine Corps's procurement and disbursement processing of FYs 2010-2011 contract payments supporting operations in Afghanistan are adequate to ensure the propriety of payments.

Defense Finance and Accounting Service Debt Collection Process over the Department of Defense Education Activity Employees Objective: Determine adequacy of DoD Education Activity procedures and controls for processing and recording Living Quarters Allowance payments transactions, and the accuracy of the DoD Education Activity employees' Living Quarters Allowance debt.

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Defense Finance and Accounting Service Processes over Payments Made Through the One Pay System, Necessary to Prevent Improper Payments Objective: Determine whether Defense Finance and Accounting Service has effective processes over payments made through the One Pay System necessary to prevent improper payments.

Department of the Navy Delivered Orders-Obligations Unpaid Account (4901) Balances Objective: Determine if the Navy accounts 2110-Accounts Payable and 4901-Delivered Orders-Obligations, Unpaid had abnormal balances related to payments preceded the recording of the expense in the accounting system and determine if Navy had adequate support at the transaction level.

Department of the Navy Process and Controls Used When Entering Vendor Identification Information into the One Pay System Objective: Determine whether the Department of the Navy in conjunction with Defense Finance and Accounting Service, have processes and controls in place to verify that correct vendor identification information is entered into One Pay to ensure proper payments.

DoD Compliance With the Improper Payment Information Act of 2002 as Amended by the Improper Payments Elimination and Recovery Act of 2010 Objective: Review DoD compliance with the Improper Payments Information Act of 2002 as amended by the Improper Payments Elimination and Recovery Act of 2010. Also evaluate DoD efforts to prevent and reduce improper payments and provide the agency head with recommendations, if any, to improve improper payment reduction.

Internal Controls Over the U.S. Army Contract Payments in Afghanistan Objective: Determine whether internal controls over the U.S. Army's procurement and disbursement processing of contract payments supporting operations in Afghanistan are adequate to ensure that payments are proper.

Overaged DoD Contracts Awaiting Closeout Objective: Determine whether DoD was taking effective action to reduce the number of overaged DoD contracts awaiting closeout and collecting overpayments to contractors during closeout. Specifically, evaluate whether contract personnel performed contract closeout procedures in accordance with applicable laws and regulations.

Payment and Authorization of DoD Progress Payment and Performance Based Payment Contracts Objective: Determine whether DoD followed Federal Acquisition Regulation guidance for authorizing progress payments and performance based payments when awarding contracts. In addition, determine whether DoD is making progress payments and performance based payments in accordance with applicable the FAR and DoD policies.

Travel Payments Processed Using the Integrated Automated Travel System Objective: Identify transactions within Integrated Automated Travel System that are high-risk and determine whether internal controls are in place to reduce the potential fraud, waste, and abuse.

Unusual Pay Data in the Defense Civilian Pay System Objective: Review Defense Finance and Accounting Service internal controls for reviewing unusual payroll data in Defense Civilian Pay System. Specifically, determine whether the Defense Finance and Accounting Service has internal controls established to review unusual payroll data in Defense Civilian Pay System to prevent erroneous payments of civilian pay.

CYBER SECURITY

ONGOING PROJECTS

Cyber Red Teams' Goals, Activities, and Performance (D2011-D000LC-0242.000) Objective: To assess the effectiveness of the Cyber Red Teams' activities. Specifically, determine whether the testing and vulnerabilities, threats, infiltration controls, or other services performed on Components' systems. Also, determine if Components implement the recommendations and track findings through resolution.

Defense Finance and Accounting Service Information Assurance Vulnerability Management Program (D2011-D000LB-0230.000) Objective: This is a second in a series of audits on vulnerability management. Objective: Determine whether the Defense Finance and Accounting Service has implemented effective processes for managing and mitigating system vulnerabilities in accordance with the DoD Information Assurance Vulnerability Management program.

DoD Implementation of Authorization Agreements in Accreditation Decisions for Selected Information Systems (D2011-D000LB-0227.000) Objective: Determine whether selected DoD information systems are operating in accordance with the authorization agreement in the accreditation decision (process).

DoD Physical Access Control Systems (D2011-D000LB-0126.000) Objective: Determine if DoD Components are realizing cost efficiencies associated with the standardization of physical access control systems as required by Federal and DoD Policy. Specifically, determine if those DoD components are developing, procuring, and maintaining physical access control systems that are compliant with Homeland Security Presidential Directive-12, Policies for a Common Identification Standard for Federal Employees and Contractors and Federal Information Processing Standards 201-1, Personal Identify Verification of Federal Employees and Contractors.

Host-Based Intrusion Detection Systems (D2011-D000LB-0124.000) Objective: Determine whether DoD, using host-based intrusion detection systems, is detecting, reporting, and mitigating cyber intrusions.

Information Security Controls over the Defense Enrollment Eligibility Reporting System (D2011-D000FG-0088.000) Objective: Evaluate whether the controls have been designed and effectively implemented over the Defense Enrollment Eligibility Reporting System to deter and protect sensitive data from compromise by internal and external cyber threats

PLANNED PROJECTS

Army Contracts for the Acquisition of Information Technology Software Objective: Determine if the Army has contract and licensing language that will protect DoD interests, avoid unnecessary costs and ensure the protection of sensitive DoD information related to software procurements.

Controls over Wireless Intrusion Detection Systems at the Defense Logistics Agency in Support of the DoD Cyber Security Efforts Objective: Determine the cyber security strategies Defense Logistics Agency employed and what controls and processes are already in place to deter and mitigate cyber threats and attacks.

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Cyber Security Requirements for the Defense Information System for Security

Objective: Determine whether developers are meeting the system and security requirements for the Defense Information System for Security. In addition, determine whether key deliverables are timely and within budget.

Cyber Security Strategies Mitigating Cyber Threats at the Defense Logistics Agency

Objective: Determine whether the Defense Logistics Agency has implemented adequate wireless intrusion detection systems in support of DoD cyber security efforts to detect, prevent, and mitigate unauthorized wireless devices and transmissions.

Department of Defense Blue Team's Goals, Performance, and Activities Objective: Determine whether the Blue Team follows DoD and Component standard operating procedures when testing vulnerabilities, procedures, and infiltration controls of a Component's systems; and whether Components are required to implement the Blue Teams recommendations and track them through resolution.

DoD Computer Network Defense Service Provider Certification and Accreditation Process

Objective: Determine if the services Computer Network Defense is performing are effective and robust enough to protect our networks. Also determine if Computer Network Defense Providers are appropriately and sufficiently certified and accredited to service DoD Components Networks.

DoD Portable Electronic Devices and Removable Media Security Controls Objective: Assess DoD Services controls surrounding Portable Electronic Devices and Removable Media to ensure that controls are in place and operating effectively. Specifically, ensure that a program is in place to track, account for, and safeguard Portable Electronic Devices and removable Media.

DoD's Implementation of Privacy and Security Safeguards to Protect DoD Patient Health

Information Objective: Determine if DoD personnel Health record vendors meet federal privacy and security requirements for electronic health records and personal health records. Specifically, has DoD conducted vulnerability and security assessments of accepted personal health record vendors to ensure the privacy and security of personal health information in electronic format, established incident detection and response requirements for personal health record vendors, and trained volunteers that participate in establishing a personal health record on the privacy and security implications.

DoD's Implementation of the Federal Data Center Consolidation Initiative Objective: Determine whether DoD Component's are progressing in their data center consolidation plans as approved by Office of Management and Budget. Specifically, determine whether selected DoD Components are meeting the deadlines and achieving the targeted metrics established in their approved data center consolidation plans.

Disposition of Funding Received for the Multi-Agency Collaboration Environment Program

Objective: Determine whether the Multi-Agency Collaboration Environment (MACE) officials followed applicable Financial Management Regulations for the expenditures of MACE funding.

Information Technology Outsourcing Objective: Determine whether DoD components that do not utilize Defense Information Systems Agency services adequately assess the security risks associated with using an outside service provider and the cost benefit of outsourcing information technology environments.

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Logistics Modernization Program Malware Defense and Vulnerability Assessment and Remediation Controls Objective: Determine whether the Army effectively implemented malware defense strategies that would improve warning capabilities into the Logistics Modernization Program to deter interferences and attacks in cyberspace. Because Logistics Modernization Program stores personally identifiable information, and weapons, equipment, and supply data, implementing effective cyber security controls related to malware defenses is integral to assuring system availability and protecting the integrity and confidentiality of sensitive data.

Summary of DoD Information Assurance Weaknesses Identified in Audit Reports Issued From August 1, 2011, Through July 31, 2012 Objective: Summarize the information assurance weaknesses identified in reports and testimonies issued by the DoD audit community and the Government Accountability Office between August 1, 2011, and July 31, 2012.

U.S. Army Corps of Engineers Effectiveness in Controlling Access to Hydraulic Water Control Structures Objective: Determine whether the U.S. Army Corps of Engineers implemented effective procedures and controls to safeguard our Nation's critical infrastructure and limit access to information systems and networks that regulate the flow of water through water control structures that, if compromised, could result in significant loss of life or economic hardship.

U.S. Cyber Command's Authority in Performing Cyber-Related Operations Objective: Determine whether U.S. Cyber Command has the appropriate authority to perform its cyber responsibility to defend against internal and external DoD cyber attacks, plan and execute offensive cyberspace operations, and respond to national cyber emergencies.

JOINT WARFIGHTING AND READINESS

ONGOING PROJECTS

Combatant Command Disaster Relief Operations (D2011-D000JA-0280.000) Objective: Evaluate the ability of the combatant commands to plan and execute disaster relief operations to prevent instability in their areas of responsibility.

DoD Management of the Redistribution Property Assistance Team Operations in Kuwait (D2011-D000JA-0281.000) Objective: Determine whether DoD is effectively managing Redistributed Property Assistance Team operations in Kuwait to ensure DoD is prepared to handle the anticipated amount of materiel related to the drawdown from Iraq.

Joint Basing Implementation Process within the Pacific Region (D2011-D000CG-0145.000) Objective: Determine whether the joint bases adhered to the intent of the Base Realignment and Closure recommendation, Joint Basing Implementation Guidance, and subsequent guidance issued as part of the Marine relocation of Guam.

Maintenance for Tactical Wheeled Vehicles in Kuwait (D2011-D000JA-0212.000) Objective: Determine whether DoD is effectively executing maintenance for tactical wheeled vehicles in Kuwait and whether DoD is providing appropriate contract oversight to ensure that tactical wheeled vehicles receive the necessary repairs and maintenance, and repair parts are efficiently used.

National Guard's Weapons of Mass Destruction Civil Support Teams (D2011-D000LA-0226.000) Objective: Evaluate the adequacy of the planning and reporting of the National Guard's Weapons of Mass Destruction-Civil Support Teams in response to intentional or unintended release of chemical, biological, radiological, nuclear, or high-yield explosives and natural or man-made disasters.

Supply Support Activities' Effectiveness in Sustaining U.S. Forces in Afghanistan (D2011-D000JO-0169.000) Objective: Determine whether selected Supply Support Activities in Afghanistan were effectively and efficiently supporting their customers..

U.S. Special Operations Command Use of General Purpose Forces (D2011-D000JA-0272.000) Objective: Determine the ability of the U.S. Special Operations Command to use General Purpose Forces as enablers to meet their mission requirements within the U.S. Central Command's area of responsibility.

PLANNED PROJECTS

Ballistic Missile Defense System Targets Objective: Evaluate the reliability of the targets used to test the ballistic missile defense system. Specifically, evaluate the performance of the targets used to test the Ballistic missile defense system and whether they accurately represent the identified threat.

Building Institutional Capacity Through the Defense Institution Reform Initiative Objective: Determine the effectiveness of Defense Institution Reform Initiative in DoD efforts to help build the security capacity of partner states.

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Building Institutional Municipal Capacity Through the Ministry of Defense Advisors

Objective: Determine the effectiveness of Ministry of Defense Advisors in DoD efforts to help build the security capacity of partner states, particularly Afghanistan.

Counter Intelligence and Human Intelligence Support in U.S. Central Commands Objective: The objectives are classified.

DoD's Joint National Maintenance Facility Objective: Determine whether DoD's joint national maintenance facility is effectively executing maintenance on vehicles.

Effectiveness of the Supply Support Program Used to Sustain Route Clearance Equipment

Objective: Evaluate materiel purchases made by the contractor supporting the Route Clearance Equipment. Specifically, whether the spare/repair parts were purchased in the most cost effective manner, whether the demand data was captured by the respective Supply Centers, and did the spare/repair parts meet DoD standards.

Management of Army High Demand Items at the Defense Distribution Depot in Kuwait

Objective: Evaluate whether DoD is effectively and efficiently managing Defense Distribution Depot operations in Kuwait to reutilize Army high demand items for use in overseas contingency operations.

U.S. Pacific Command Joint Training Exercises Objective: Evaluate the ability of the U.S. Pacific Command to use alternative training methods to achieve proficiency in Joint Mission Essential Tasks. Specifically, evaluate the ability to use computer-based training, simulations, and other non-traditional training methods during joint and combines training; and whether elimination or reductions in scope of joint training exercises adversely impact U.S. Pacific Command's mission essential training.

U.S. Pacific Command Munitions Requirement Objective: Evaluate whether the Services' munitions procurements supports U.S. Pacific Command requirements. Specifically, determine whether the missile procurements support U.S. Pacific Command requirements.

LOGISTICS MANAGEMENT

ONGOING PROJECTS

Bulk Petroleum War Reserves for the U.S. Pacific Command (D2011-D000LG-0136.000)

Objective: Determine the adequacy of published requirements and stockage levels on hand for bulk petroleum products needed for contingency operations for the U.S. Pacific Command..

Justification and Planning for Project Repair Fire Station Building 106, Naval Station Great Lakes (D2010-D000LC-0236.000) Objective: Determine whether Project RM 005-07, Repair Fire Station Building 106 at the Naval Station Great Lakes, was adequately justified and properly planned.

V-22 Osprey's Mission Readiness Rates, Maintainability, and Sustainment Cost (D2011-D000LH-0170.000) Objective: Evaluate whether the V-22 Osprey's performance is meeting the mission capability rate requirements. Specifically, evaluate how the frequency of repairs and the replacement of supply parts affected the V-22's mission readiness from October 1, 2008, through September 30, 2010.

PLANNED PROJECTS

Bulk Fuel Storage Sites and Farms Objective: Determine whether Defense fuel storage and farms are operating within Federal environment standards, have appropriate contingency plans in place to protect the environment ground water sources, and have efficient physical controls and security in place for Anti-Terrorism/Force Protection.

Defense Logistics Agency Energy's International Fuel Support Agreements Objective: Evaluate whether the management and oversight of Defense Logistics Agency Energy's international fuel support agreements is effective. Specifically, evaluate whether international agreements are tailored to meet needs of the Warfighter, Defense Logistics Agency, and foreign governments, and whether there is adequate oversight of the validation and reconciliation processes in support of global fuel operations.

Demilitarization Process at the Defense Logistics Agency Disposition Service Objective: Determine whether critical military equipment was demilitarized and disposed of in accordance with Federal and DoD regulations. Specifically, determine whether Defense Logistics Agency Disposition Services demilitarized and disposed of class C and D items in accordance with requirements, Defense Logistics Agency Disposition Services has adequate internal controls for the reutilization and disposal of property to ensure that property is appropriately considered for reuse.

Management of Operational Rations Objective: Evaluate the management of operational rations by the Defense Logistics Agency Troop Support. Specifically, evaluate whether Defense Logistics Agency Troop Support effectively managing program requirements and is monitoring the accountability of operational rations (Government-furnished material) stored by subsistence prime vendors and assessing requirement computations. The audit would also look to see whether Defense Logistics Agency Troop Support has explored other options to store reserves of operational rations, other than with the subsistence prime vendors.

Deputy Inspector General for Auditing FY 2012 Audit Plan

Procedures for Recovery of Organizational Clothing and Individual Equipment

Objective: Determine whether the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (established a working group, and developed and implemented procedures for improving procedures for recovery of Organizational Clothing and Individual Equipment.

Supply Chain Management in the Pacific Region Objective: Determine whether supply chain management in the Pacific region is effective and efficient. Specifically, determine whether inventory levels are appropriate for stated requirements.

United States Air Forces Central (AFCENT) Aerial Ports Policies, Procedures and Operations in Southwest Asia Objective: Determine whether Air Forces Central has effectively and efficiently managed aerial port operations for military, civilians and contractors. Specifically, review the Air Forces Central policies, procedures, and operations within Southwest Asia to determine if Air Forces Central effectively and efficiently utilized airlift capacity and passenger movement to ensure mission readiness for the warfighter and minimize costs to the taxpayer.

HEALTH CARE

ONGOING PROJECTS

Follow-up of Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia (D2011-D000LF-0041.000) Objective: Determine the status of billing contractors for health care provided at military treatment facilities in Southwest Asia

Implementation of Daily Reporting of Service Member Deployment Information (D2011-D000LF-0206.000) Objective: Assess DoD's effectiveness in reporting the daily location of deployed service members for use in health surveillance.

Management of Pharmaceuticals Within the Afghan National Security Forces Health Care System (D2011-D000JB-0240.000) Objective: Determine the effectiveness of the pharmaceutical distribution within the Afghanistan National Security Forces health care system. Specifically, evaluate the procurement, delivery, and inventory control processes for pharmaceuticals at Afghanistan National Security Forces medical facilities and depots.

Medical Staffing and Specialty Care Requirements in Guam (D2011-D000LF-0093.000) Objective: This is the second in a series of audits regarding the adequacy of medical plans related to the realignment of military members and their families to Guam. Objective: Evaluate the methodology used to determine the number and type of medical-care staff needed and the plan for providing specialty care to eligible beneficiaries.

PLANNED PROJECTS

Billings by Skilled Nursing Facilities Objective: Review the adequacy of TRICARE controls over payments for Skilled Nursing Facility claims. Specifically analyze procedures in place to prevent overpayments resulting from: TRICARE's payer responsibility level (Primary or Secondary); duplicate or overlapping Medicare claims; failure to meet admission requirements; or overstated billing levels.

Efficiency and Effectiveness of TRICARE Managed Care Support Contractor Fraud Units Objective: Evaluate the effectiveness of the TRICARE Managed Care Support Contractor program integrity units. Specifically, evaluate the adequacy of resources and processes used by the Managed Care Support Contractors to detect and prevent fraud.

Evaluation of the Implementation of TRICARE Management Activity Plan to Improve the Acquisition Process Objective: Evaluate the implementation of the TRICARE Management Activity Plan to Improve the Acquisition Process.

DEFENSE CRITICAL INFRASTRUCTURE

ONGOING PROJECTS

Vulnerability Assessments for the Defense Industrial Base (D2011-D000LA-0100.000)

Objective: Determine whether Department of Defense is performing Defense Industrial Base vulnerability assessments and risk assessments to ensure critical assets are properly protected and whether there are mitigation plans in place to cover critical assets.

PLANNED PROJECTS

Commercial Satellite Communications Exercises Objective: Evaluate the interoperability of DoD's commercial satellite communication and the mitigation plans for any interruptions in satellite communication.

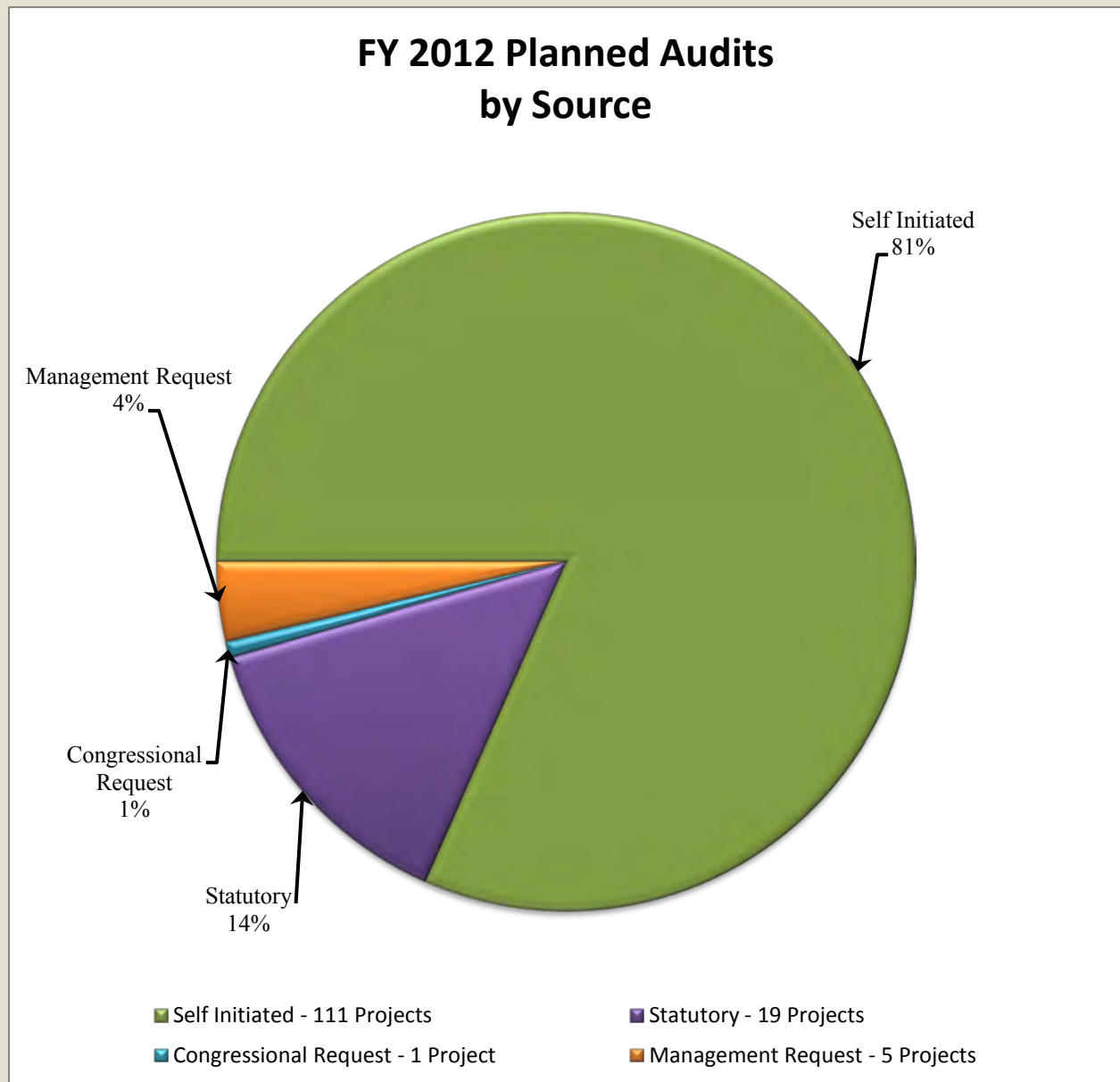
Defense Industrial Base Critical Asset List Objective: Determine if the critical asset list is accurate and prioritized based on criticality. Specifically, evaluate the criteria used to develop the critical asset list, evaluate the assets currently on the list against the criteria, and determine whether the process used to develop the list ensures that it is all-inclusive.

Use of Rare Earth Elements in the Defense Industrial Base Objective: Evaluate DoD's use of Rare Earth Elements in supporting the defense industrial base. Specifically, assess whether Under Secretary of Defense (Acquisition, Technology and Logistics) has effectively managed logistics and supply requirements; including life-cycle sustainment and mitigation plans that address supply issues. Also determine whether DoD policies and procedures are effective for acquisition, maintenance, and storage of Rare Earth Elements.

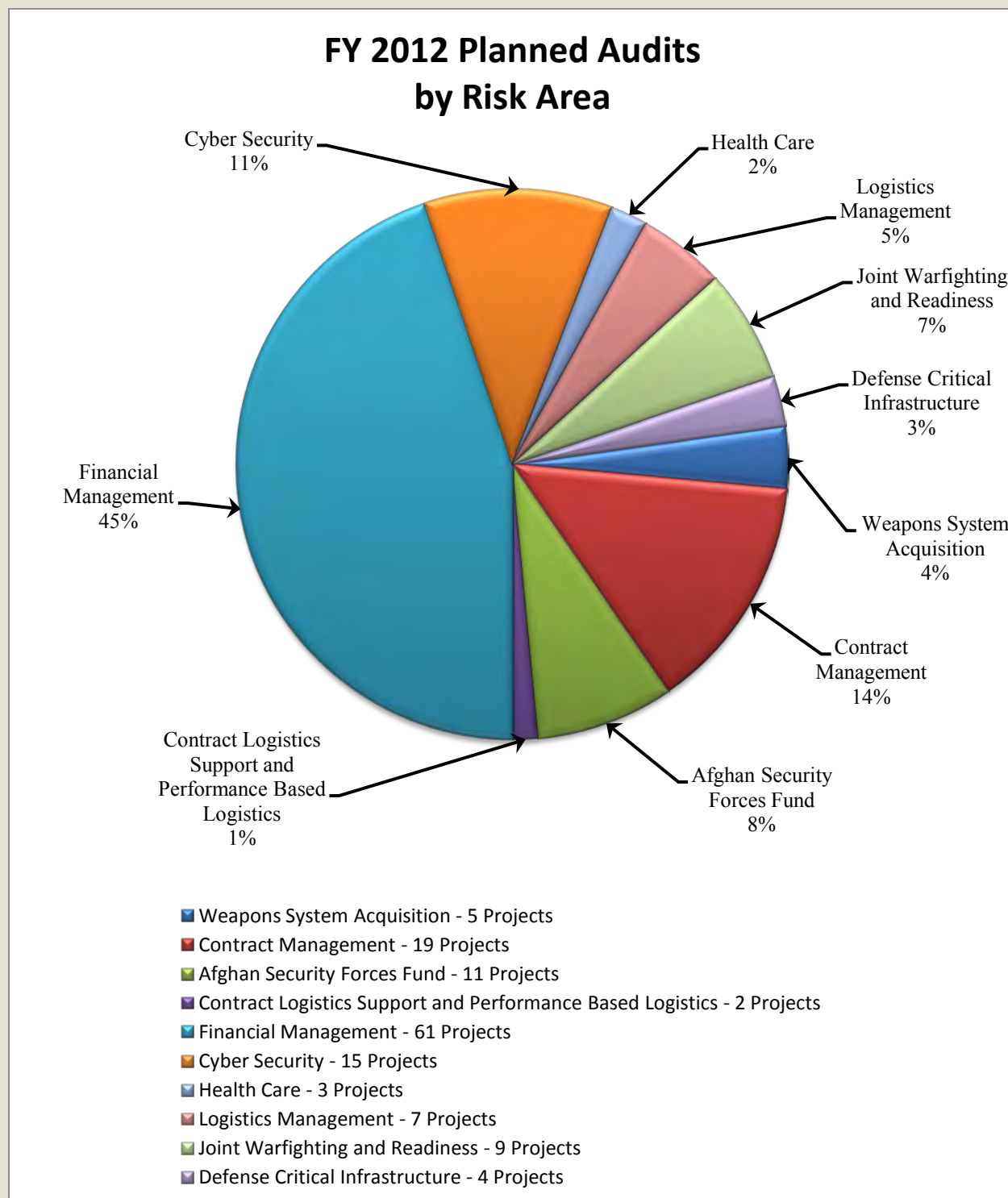
Vulnerability and Risk Assessments of Defense Industrial Base Contractor Facilities

Objective: Determine whether efficiencies can be gained by consolidating like assessments to answer the objectives of multiple DoD customers.


Appendix A. FY 2012 Planned Audits by Source



Appendix B. FY 2012 Planned Audits by Risk Area




Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Acquisition of the P-8A Poseidon Aircraft*					X	X													X
Development of Common Ground Control System for Unmanned Aircraft Systems					X	X													X
Major Acquisition Programs Within DoD*			X		X	X													X
Navy Acquisition of Mine Counter Measures Systems*					X	X													X
Theater Air and Missile Defense Systems*					X	X													X
Analysis of Subcontractor Costs on Firm-Fixed Price Contracts for Major Weapons Systems					X	X									X				
Contract Administration and Oversight of Military Construction Projects in Afghanistan						X									X				
Contractor Past Performance Information						X									X				
Contracts Supporting the Defense Enterprise Accounting and Management System					X		X									X			
Contracts Supporting the Logistics Modernization Program System					X		X									X			
Contracts Supporting the General Fund Enterprise Business System					X		X									X			
Controls over the Accountability of Contractor Managed Government Owned Property in Afghanistan	X					X									X				
Defense Advanced Research Projects Agency's Ethics Program						X									X				
Defense Logistics Agency Procedures for Purchasing DoD Mission Critical Assets*						X											X		
DoD Compliance with Federal Acquisition Regulations Revisions for the Use of Cost Reimbursement Contracts						X									X				


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
DoD Research and Development Contracting Practices						X									X				
DoD's Linguist Contract Management										X					X				
Improvements Needed in Contract Administration of the Subsistence Prime Vendor Contract for Afghanistan*	X									X					X				
Improving Construction Contracting in a Contingency Environment	X									X									
Marine Corps’ Use of the Commercial Enterprise Omnibus Support Services Program*						X									X				
MQ-1 Predator and MQ-9 Reaper Unmanned Aircraft Systems Contracts						X													X
Oversight of Department of Defense Education Activity Military Construction Projects in Europe*					X	X													
Service Contracts at Major Range and Test Facility Bases						X									X				
U. S. Special Operations Command Global Battlestaff and Program Contract Oversight					X	X									X				
Afghan Technical Equipment Maintenance Program	X					X									X				
Ammunition Contracts for the Afghan National Security Forces	X					X									X				
Availability of Afghanistan Security Forces Funds on Pseudo Foreign Military Sales Cases for the Afghan National Security Forces	X					X									X				
C-27 Aircraft for the Afghan National Army Air Force	X					X									X				


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Contracts Supporting Afghanistan Rotary Wing Airlift Program for the United States Transportation Command	X					X									X				
Maintenance and Sustainability of Night Vision Devices Procured for the Afghan National Security Forces	X					X									X				
Overhaul and Cockpit Modifications of Mi-17s	X					X									X				
Radio Contracts for the Afghan National Security Forces	X					X									X				
Shindand Training Contracts						X									X				
Support Truck Contracts for the Afghan National Security Forces	X					X									X				
U.S. Army Corps of Engineer’s Construction Terminated Contracts for Afghanistan National Army and Afghanistan National Police Facilities						X									X				
Defense Logistics Agency Sole-Source Spare Parts Procurements					X	X									X				
Effective Utilization of Government-Owned Inventory in Performance-Based Logistics Arrangements*					X	X									X				
Agreed-Upon Procedures for Reviewing the FY 2012 Civilian Payroll Withholding Data and Enrollment Information					X		X									X			
Air Force Financial Improvement and Audit Readiness Deliverables Provided Through Contractor Services*							X									X			


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Air Force Processes that Support Financial Reporting of Obligations					X		X									X			
Armed Forces Retroactive Stop-Loss Special Pay Program*				X			X									X			
Attestation of DoD Use of DOS Funds in Support of AIDS Relief Programs							X									X			
Attestation Review of the DoD Counterdrug Program FY 2011 Obligations							X									X			
Controls over the Department of the Navy Government-Furnished Equipment							X									X			
Controls Over Unliquidated Obligations on Operation and Maintenance Funds Obligated at Fiscal Year-End by the Department of the Navy*							X									X			
Department of the Army Financial Improvement Plan*					X		X						X						
Department of Navy IT Systems' Inherited Controls												X							
Department of the Navy's Financial Improvement Program*							X									X			
Department of the Navy's Unfunded Ship Depot Maintenance			X				X											X	
DoD Plans for Reducing Non-Tactical Fuel Costs as Required by the Energy Independence and Security Act (EISA) of 2007*					X		X						X						
DoD's National Capital Region Vehicle Fleets*					X	X									X				
Examination of the Controls Over the Existence of Army Military Equipment							X									X			
Financial Improvement and Audit Readiness Plan*					X		X									X			


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Processes Used to Collect and Remit (Waive) Individual Debt within DoD*							X									X			
Total Cost Estimate for the Guam Realignment*							X								X				
U.S. Military Academy, West Point Controls Over Gift Processes and Non-Appropriated Funds					X		X									X			
Air Force General Fund Basic Financial Statements as of and for the Years Ending September 30, 2012 and 2011					X		X									X			
Air Force Working Capital Fund Basic Financial Statements as of and for the Years Ending September 30, 2012 and 2011					X		X									X			
Department of the Army General Fund Principal Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011					X		X									X			
Department of the Army Working Capital Fund Principal Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011					X		X									X			
DoD Agency-Wide Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011					X		X									X			
DoD Medicare Eligible Retiree Health Care Fund FY 2012 Financial Statements							X									X			
DoD Special Purpose Financial Statements for the Fiscal Years Ending September 30, 2012 and 2011					X		X									X			
FY 2012 Department of the Navy General Fund Financial Statements							X									X			
FY 2012 Department of the Navy Working Capital Fund Financial Statements							X									X			
Oversight of the FY 2012 Military Retirement Fund Financial Statement Audit					X		X									X			


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

 Inspector General	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Principal U.S. Army Corps of Engineers, Civil Works, Financial Statements for FY's Ended September 30, 2012 and 2011					X		X									X			
TRICARE Management Activity Contract Resource Management FY 2012 Financial Statements							X									X			
United States Marine Corps General Fund Statement of Budgetary Resources for the Fiscal Years Ending 2012 and 2011							X									X			
Army’s Project Management of the Global Combat Support System-Army							X									X			
Army Working Capital Fund Inventory in the Logistics Modernization Program System					X		X							X					
Controls Over the Acquire-to-Retire End-To-End Business Process Transactions Processed Within the General Fund Enterprise Business System					X		X						X						
Defense Agencies Initiative Audit Trails for the Budget to Report Cycle							X							X					
Defense Agencies Initiative Procure to Pay Business Process							X							X					
Defense Business Enterprise Accounting and Management System Data Migration Strategy							X							X					
Defense Enterprise Accounting and Management System Order-to-Cash Process							X							X					
Defense Logistics Agency’s Enterprise Business System							X							X					
Defense Logistics Agency's Enterprise Business System Procure-To-Pay Business Process							X							X					


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Efficiency of Navy Financial Data Processed Through the Navy Enterprise Resource Planning System*							X									X			
Logistics Modernization Program System Implementation of the Order-to-Cash Business Process					X		X							X					
Wide Area Workflow System Access												X		X					
8(a) ANC Contracting and Potential Pass-Through(s)							X									X			
Accuracy of Approving Officials Review of Government Purchase Card Transactions Identified as High-Risk by the Purchase Card On-Line System*							X									X			
Adequacy of National Geospatial-Intelligence Agency Controls to Prevent and Detect Improper Payments					X		X									X			
Army’s Controls Over Foreign Currency Exchange Gains and Losses							X									X			
Controls over Navy Reservist Military Payroll*							X									X			
Controls over Payments for the Shipment of Household Goods*					X		X									X			
Controls over the U.S. Marine Corps Contract Payments in Afghanistan*							X								X				
Defense Finance and Accounting Service Debt Collection Process Over the Department of Defense Education Activity Employees*							X									X			
Defense Finance and Accounting Service Processes Over Payments Made Through the One Pay System, Necessary to Prevent Improper Payments*					X		X									X			


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Department of the Navy Delivered Orders-Obligations Unpaid Account (4901) Balances							X									X			
Department of the Navy Process and Controls Used When Entering Vendor Identification Information into the One Pay System							X									X			
DoD Compliance with the Improper Payment Information Act of 2002 as Amended by the Improper Payments Elimination and Recovery Act of 2010*							X									X			
Internal Controls over the U.S. Army Contract Payments in Afghanistan							X									X			
Overaged DoD Contracts Awaiting Closeout*					X		X								X				
Payment and Authorization of DoD Progress Payment and Performance Based Payment Contracts*							X								X				
Travel Payments Processed Using the Integrated Automated Travel System							X									X			
Unusual Pay Data in the Defense Civilian Pay System*					X		X									X			
Army Contracts for the Acquisition of Information Technology Software	X											X		X					
Controls over Wireless Intrusion Detection Systems at the Defense Logistics Agency in Support of the DoD Cyber Security Efforts					X							X							
Cyber Security Requirements for the Defense Information System for Security			X									X							
Cyber Security Strategies Mitigating Cyber Threats at the Defense Logistics Agency			X									X							


* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Department of Defense Blue Team's Goals, Performance, and Activities			X									X							
DoD Computer Network Defense Service Provider Certification and Accreditation Process												X							
DoD Portable Electronic Devices and Removable Media Security Controls			X									X							
DoD's Implementation of Privacy and Security Safeguards to Protect DoD Patient Health Information					X			X					X						
DoD's Implementation of the Federal Data Center Consolidation Initiative*					X							X		X					
Disposition of Funding Received for the Multi-Agency Collaboration Environment Program	X											X			X				
Information Technology Outsourcing*					X							X			X				
Logistics Modernization Program Malware Defense and Vulnerability Assessment and Remediation Controls			X									X							
Summary of DoD Information Assurance Weaknesses Identified in Audit Reports Issued From August 1, 2011 through July 31, 2012			X									X							
U.S. Army Corps of Engineers Effectiveness in Controlling Access to Hydraulic Water Control Structures*			X									X							
U.S. Cyber Command's Authority in Performing Cyber-Related Operations			X									X							
Ballistic Missile Defense System Targets			X							X									X
Building Institutional Capacity Through the Defense Institution Reform Initiative*	X									X									

* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

<div> Inspector General</div> <div>Project Title</div>	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Building Institutional Municipal Capacity Through the Ministry of Defense Advisors*	X									X									
Counter Intelligence and Human Intelligence Support in U.S. Central Command	X									X									
DoD's Joint National Maintenance Facility*	X									X								X	
Effectiveness of the Supply Support Program Used to Sustain Route Clearance Equipment						X											X		
Management of Army High Demand Items at the Defense Distribution Depot in Kuwait*	X									X							X		
U.S. Pacific Command Joint Training Exercises			X							X									
U.S. Pacific Command Munitions Requirements		X								X							X		
Bulk Fuel Storage Sites and Farms					X					X							X		
Defense Logistics Agency Energy's International Fuel Support Agreements*					X					X							X		
Demilitarization Process at the Defense Logistics Agency Disposition Service*	X									X							X		
Management of Operational Rations*	X									X							X		
Procedures for Recovery of Organizational Clothing and Individual Equipment	X									X							X		
Supply Chain Management in the Pacific Region				X				X								X			
United States Air Forces Central (AFCENT) Aerial Ports Policies, Procedures and Operations in Southwest Asia*										X									
Billings by Skilled Nursing Facilities*					X			X								X			
Efficiency and Effectiveness of TRICARE Managed Care Support Contractor Fraud Units*				X				X								X			

* Efficiency Related Audit

Appendix C. FY 2012 Planned Audit Coverage by DoD Strategic Objectives, IG Management Challenges and GAO High Risk Areas (cont'd)

 Inspector General	DoD Strategic Goals					IG Management Challenges							GAO High Risk Areas - DoD Specific Risks						
	Prevail in Today's War	Prevent and Deter Conflict	Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	Preserve and Enhance the All-Volunteer Force	Implement the Reform Agenda	Acquisition Processes and Contract Management	Financial Management	Health Care	Equipping and Training Iraqi and Afghan Security Forces	Joint Warfighting and Readiness	Nuclear Enterprise	Information Assurance, Security and Privacy	Approach to Business Transformation	Business Systems Modernization	Contract Management	Financial Management	Supply Chain Management	Support Infrastructure	Weapons Systems Acquisition
Project Title																			
Evaluation of the Implementation of TRICARE Management Activity Plan to Improve the Acquisition Process								X										X	
Commercial Satellite Communication Exercises	X									X									
Defense Industrial Base Critical Asset List	X																	X	
Use of Rare Earth Elements in the Defense Industrial Base	X					X											X		
Vulnerability and Risk Assessments of Defense Industrial Base Contractor Facilities*	X									X								X	

* Efficiency Related Audit

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Additional copies of the FY 2012 Audit Plan can be obtained by contacting:

**Office of the Deputy Inspector General for Auditing
Attn: Corporate Planning/13F25-04
4800 Mark Center Drive
Alexandria, VA 22350-1500
(703) 604-9142 (DSN 664-9142)**

This plan, the Comprehensive Oversight Plan for Southwest Asia, and the Guam Realignment Comprehensive Oversight Plan are also available on our Web site at:

<http://www.dodig.mil/audit>

DEPARTMENT OF DEFENSE

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DEPARTMENT OF DEFENSE
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